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EC Breakthrough: A Big 3 Trade-Off

Thatcher Got Rebate, Kohl a Subsidy
And Mitterrand a Diplomatic Victory

By Axel Krause
International Herald Tribune
PARIS — Determination by the leaders of Britain, France and West Germany, each pursuing different goals, enabled the Fontainebleau summit meeting to resolve the deadlock over Britain's contribution to the EC budget that has troubled European Community summit meetings since 1979.

NEWS ANALYSIS

Thatcher of Britain badly needed funds that had been blocked since 1983. Chancellor Helmut Kohl of West Germany wanted approval of a subsidy for German farmers that only last week had been ruled illegal by the EC Commission and severely criticized as wasteful by the opposition Social Democrats in Bonn.

agreement on budget reform. The agreement reached Tuesday granted Britain an immediate rebate of 750 million European Currency Units (about \$600 million at current rates) on its 1983 contribution.

It also increased the refund to one billion ECUs in the current year and established a mechanism to reduce payments starting in 1985.

Mrs. Thatcher was all alone against her European partners. As a senior diplomatic official in Brussels put it: "I have never seen the nine EC governments so determined, so together on a community problem."

He added: "Clearly, the 9-to-1 factor also played a very important role in her setting."

That, after nearly two days of difficult bargaining that nonetheless avoided the acrimony of previous summit meetings, a series of agreements emerged that seemed to satisfy all 10 participants. They agreed to gradually reduce Britain's budget contribution over the next three years and somewhat expand the community's financial resources starting in 1986. The expansion will permit Spain and Portugal to enter the EC.

Mr. Kohl agreed that his government would increase its share of the total last year to 24 percent for 1984. His move was crucial in reaching the agreement.

(Continued on Page 2, Col. 1)

Damascus To Swap Prisoners With Israel

DAMASCUS — Syria will free six Israelis on Thursday, including three captured in northern Lebanon two months ago, in exchange for 291 Syrian prisoners of war and a number of other Syrians, a senior Syrian Army officer said Wednesday.

Major General Adnan Tayyara, liaison officer with United Nations disengagement forces in the Golan Heights, said the exchange would take place in the Golan Heights under the auspices of the International Red Cross.

An Israeli Army spokesman in Tel Aviv said only that preparations for an exchange were being made.

General Tayyara said that in addition to the 291 Syrian prisoners of war, Israel would release 23 Syrians who were being held for resisting Israeli occupation of Arab territories, and would return the bodies of 74 Syrian military personnel.

Syria would give back the bodies of five Israelis, he said.

He did not say whether the Israelis to be freed were military personnel or civilians but said they included three Israelis detained north of Beirut on May 1.

Israel said that the men were officials of the Israeli liaison office in Lebanon who had been on a sightseeing trip. Syria maintained that the men were spying.

The Syrian prisoners of war to be freed are thought to be those captured during Israel's invasion of Lebanon in 1982.

In Jerusalem, an Israeli lawyer said Wednesday that Israel has failed to release 120 Arabs who were to have been included in a prisoner exchange last November and has prevented the Red Cross from seeing them.

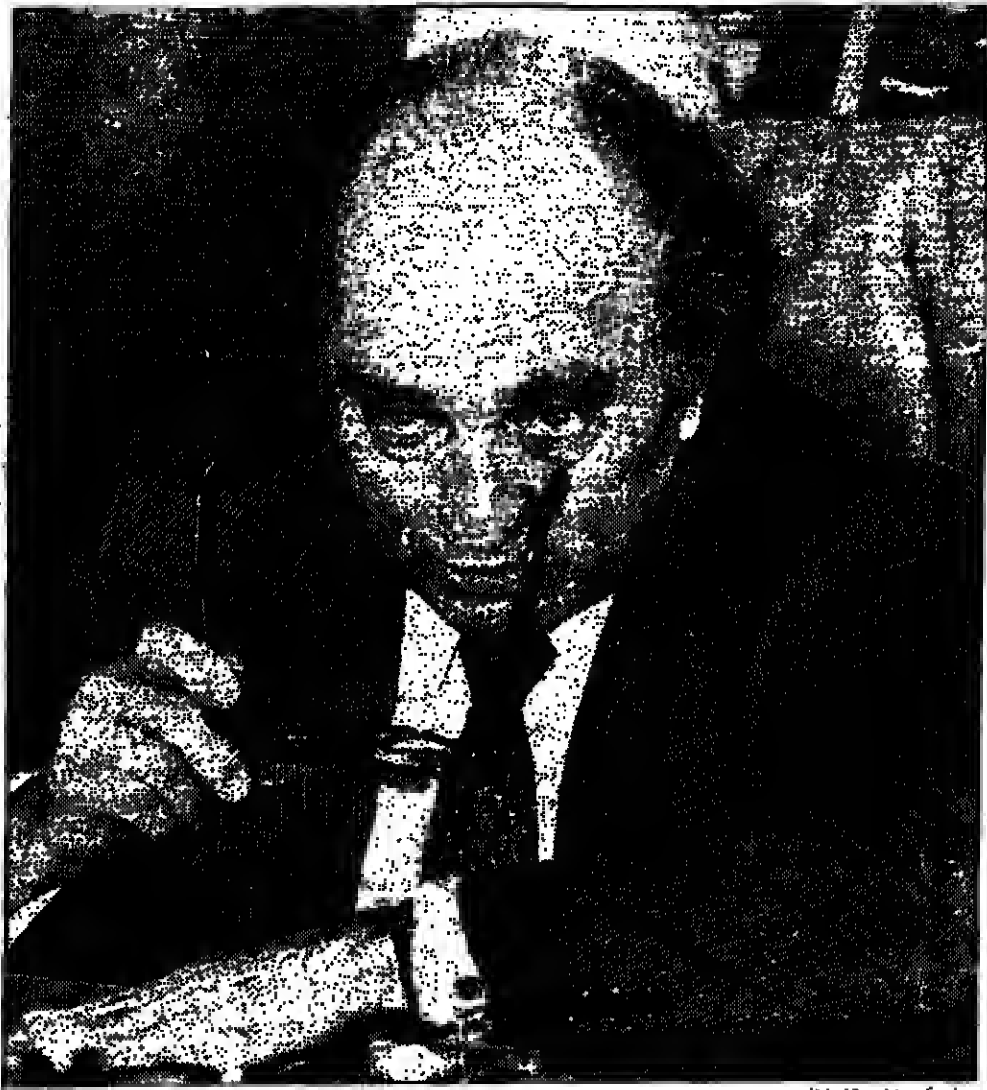
Felicia Langer said she had appealed to the Supreme Court for the Red Cross and the families to visit them in prison, south of Haifa.

The Red Cross in Israel continued its appeals, but it had been denied access to the prisoners since they arrived from Lebanon last November, when Israel exchanged 4,500 Arab prisoners for six Israeli soldiers.

Shmuel Tamir, a Defense Ministry official responsible for arranging prisoner exchanges, acknowledged that the 120 were taken to Israel from the Ansar prison camp in south Lebanon two weeks before the swap. He said Israel had told the Red Cross that the prisoners exchange included only those in Ansar on the day of the swap.

Mr. Tamir said the men all belonged to the pro-Syrian Popular Front for the Liberation of Palestine and would probably be included in a future prisoner exchange with Syria and Palestinian groups based in Damascus.

Miss Langer said her clients denied belonging to the group.



Otto Lambsdorff at his desk Wednesday after resigning.

Lambsdorff Resigns Job To Fight Bribery Charge

By James M. Markham
New York Times Service

BONN — Economics Minister Otto Lambsdorff, a central figure in West Germany's center-right coalition, has announced his resignation because of a corruption indictment against him.

In an announcement late Tuesday night that caught even his Free Democratic Party by surprise, Mr. Lambsdorff, 57, said he had submitted his resignation after being informed by his lawyer that a Bonn court was about to confirm a corruption indictment brought against him in November. Mr. Lambsdorff reiterated that he was not guilty of the charges of accepting bribes from the giant Flick holding company for arranging tax waivers, but he said that his need to defend himself prevented him from remaining in office.

On Wednesday, Chancellor Helmut Kohl designated Martin Bangemann, a relatively unknown Free Democrat, to succeed Mr. Lambsdorff as economics minister.

The swift appointment of Mr. Bangemann, 49, who had been a member of the European Parliament, was aimed at avoiding an acrimonious dispute inside the ruling coalition that might have raised questions about his qualifications for the post, according to politicians here.

Earlier in the day, Foreign Minister Hans-Dietrich Genscher and other leaders of the troubled Free Democrats, junior partners in the coalition, selected Mr. Bangemann for the job, making it clear they expected the influential post to remain in the party's hands.

Mr. Bangemann is a longtime Free Democrat left-winger who evolved in the 1970s into a loyal advocate of a coalition with the conservative Christian Democrats. His rise is of some consequence for West German politics since he has lately emerged as the likeliest candidate to succeed Mr. Genscher as party chairman.

The choice has dismayed West German industrial circles, who would have preferred a politician with expertise. A spokesman for the Federation of German Industry remarked coolly: "If the government appointed him, he must be competent." But Mr. Bangemann's position of long favoring a coalition with the Christian Democrats is reassuring to Mr. Kohl's party.

In his resignation statement, Mr. Lambsdorff said that if he kept his post, "the office of minister and the ministry entrusted to me would suffer, and my own capability would be cast in doubt."

For several weeks, politicians and journalists in Bonn have been awaiting the court's confirmation of the prosecutor's indictment, and it had been widely expected that Mr. Lambsdorff would resign when it was announced.

Only the swiftness of the decision was unexpected. The resignation removed from the coalition one of the most forceful personalities in the Free Democrats, second only in authority to Mr. Genscher.

The accusations against Mr. Lambsdorff and three others marked the culmination of a two-year investigation into West Germany's biggest political corruption scandal and the first time that an incumbent minister had been indicted. But Mr. Kohl resisted demands at the time for the economics minister's resignation, largely because the chancellor feared such a move could trigger a major shake-up of his government.

The prosecutor's indictment charged that Mr. Lambsdorff had received \$50,000 from the Flick company for his role in waiving some \$175 million in taxes on the grounds that certain of the company's investments had been in the country's interest. The prosecutors, however, did not say that the minister himself had received the money, and the broad implication was that it had gone into the coffers of the Free Democrats.

"I am neither dishonest nor stupid enough to jeopardize my personal, political and professional existence by sticking money into my pockets like that," the minister said indignantly after the November decision.

But according to well-placed sources, Mr. Lambsdorff had expected that the initial corruption charge would be reduced to a lesser offense. It is not known when the Bonn court will disclose its ruling, but one source said it would not be issued until Monday.

In his statement, Mr. Lambsdorff said that he did not intend to resign his seat in parliament or from leading positions that he holds in the Free Democratic Party.

(Continued on Page 2, Col. 5)

Accord Accepted In West German Metal Walkout

STUTTGART — The chief mediator in the West German metalworkers' dispute said Wednesday that union and industry representatives had accepted his compromise offer of a 38.5-hour workweek to end the seven-week metal industry strike.

George Leber, the mediator, made the announcement after a day of talks. He said he expected union and management leaders in the Stuttgart area to endorse the settlement soon.

More than 400,000 metalworkers have been idled in strikes, lockouts, layoffs and forced vacations that have paralyzed the automobile industry. Mr. Leber said the strike was the country's costliest labor conflict since World War II.

IG Metall, the metalworkers' union and West Germany's largest labor group, had asked for a reduction in the workweek from 40 to 35 hours without loss of pay, arguing that it would reduce unemployment significantly.

Management said the proposal would price West German goods out of the export market.

"On the basis of my proposal,

the special mediation panel has made recommendations," Mr. Leber said after Wednesday's 10-hour session. "It has thus fulfilled its task and ended its work."

Mr. Leber said the panel's recommendations would be sent to IG Metall's contract commission and the leadership commission of the regional employers' association. He said he expected the recommendations to be formally endorsed Wednesday evening.

The eight-member panel would then meet once more for a final vote on a settlement.

If accepted, the union would poll its members on ending the strikes that began May 14. The metal industry could be back in production by early next week.

The West German metal industry association said the strike had cost 9 billion Deutsche marks (\$3.2 billion) in production losses by late last week.

Volkswagen, Mercedes-Benz, Porsche, BMW, Opel, Audi and Ford assembly lines have been halted.

The employers' association ruled out labor's demand for a 35-hour workweek without cut in pay, saying it would increase production costs by up to 20 percent and price West German goods out of export markets. But last month, the employers signaled a willingness to compromise when they offered a 38-hour workweek for night shift workers.

The union rejected the offer, saying it would benefit only about 15 percent of its 2.5 million members.

Mr. Leber outlined his plan Tuesday. It calls for a cut in the workweek to 38.5 hours for all metalworkers starting April 1, 1985. There would be a 3.3-percent wage increase, effective in July and running through March 31, when the 1.5-hour cut in the workweek would go into effect.

Each metalworker would receive a one-time payment of 250 marks as compensation for the period since the industry's old wage contracts expired Jan. 31.

Mr. Leber also proposed a 3.9-percent compensatory raise as of April 1, to maintain wage levels with the shorter workweek. He recommended a 2-percent wage increase on the same date for the length of the new 12-month contract to compensate for inflation.

Karl Otto Pöhl, the president of West Germany's Bundesbank, said Tuesday that the strikes will probably cause second-quarter gross national product to drop 1 percent from the first-quarter result.

He said the labor conflict cast doubt on early projections of a 3-percent to 3.5-percent increase in GNP for 1984 as a whole.

West German printers on Tuesday widened warning strikes for a shorter workweek, calling on about 17,000 printers in 200 factories to walk off the job.



Martin Bangemann, seated, Bonn's new economics minister, greeting Foreign Minister Genscher on Wednesday.

Iraq Says Its Jets Hit 'Naval Targets' in Gulf

Compiled by Our Staff From Despatches
BAGHDAD — Iraqi jets attacked two "very large naval targets" Wednesday near Iran's tharg Island oil terminal in the Gulf, an Iraqi military spokesman said.

In Zurich, a spokesman for the shipping company, Swiss Overseas, reported that the oil tanker Tiburon had apparently been hit by an Exocet missile in the Gulf on Wednesday and that several crew members were injured.

The spokesman said it was believed that the 260,000-ton Tiburon was one of the two naval targets of the mutual agreement.

Both nations have accused each other of violating the cease-fire, which prohibits attacks on civilian areas.

King Hussein of Jordan and President Mohammad Zia ul Haq of Pakistan held talks on Tuesday with King Fahd of Saudi Arabia on the Gulf war, according to Arab sources.

They said the leaders had discussed plans for protecting Saudi Arabia against Iranian air attacks. The meeting took place in Jidda and was attended by Egypt's chief of staff, Major General Mohamed Helmi, according to the Arab sources. The three visitors were making a pilgrimage to the holy city of Mecca.

Pakistan provides officers for the Saudi armed forces, particularly the navy, which could have an important role protecting tankers in the Gulf. Jordan has military officers on duty with the Saudi forces and is believed to be offering pilots.

Reagan administration planning to propose sale of arms for Kuwaiti air defense.

That Iraq said it had attacked there was no word on the second target.

Speaking on Baghdad radio, the Iraqi spokesman repeated his country's warning to ships not to approach the area around the oil terminal.

The Tiburon, registered in Liberia, transmitted a distress signal "showing an engine-room explosion," the shipping company spokesman said. The tanker was loaded Tuesday at Kharg Island and was headed for Europe.

The Swiss spokesman said that salvage tugs were heading for the ship and the extent of any damage could not be determined until they arrived. He declined to say who owned the Tiburon.

The air strike, which was not independently confirmed, marked the second raid this week aimed at cutting off Iranian oil exports, now reportedly flowing at 2.4 million barrels a day after a slowdown last month. On Sunday, Iraq asserted that its forces had struck four large naval targets, but only one strike was confirmed.

The raids followed a two-week truce attributed to an agreement sponsored by the United Nations under which Iran and Iraq promised to halt attacks on cities. The accord does not apply to the Gulf waters, but other Arab states in the region praised the accord as a factor in possibly extending the truce.

Three UN officials arrived in Tehran on Tuesday to monitor adherence to the agreement. Iran said observers would be stationed at posts that allow them "access to areas attacked by Iraq in violation

The Waning of Spain's New Idealism González Feels the Burden of Office, the Reality of Power

By John Damron
New York Times Service

MADRID — When the Socialists took office in June 1982 they were young, idealistic, charismatic. Felipe González, the prime minister, a man with a mischievous grin who looked more at home in a wrinkled leather jacket than a business suit, seemed a mixture of James Dean and John F. Kennedy.

Now, a year and a half later, the charisma and the idealism are wearing thin, and even the youthfulness seems to be going. Felipe, still universally called by his first name, is showing the burdens of office and, among some of his followers, the price of political compromise.

One magazine, Cambio 16, summed up a sense of growing malaise on the left: "Alone and isolated in Moncloa, surrounded by technicians who are mostly social democrats instead of militant socialists, Felipe is a young prime minister who almost two years later has enormous bags under his eyes, an expression more and more grave and a way of dressing that has more to do with the position he now occupies than with the young and joyful idea of change that swept Spain in its historic autumn."

The article was titled "Is Felipe a Socialist?" The answer lay in the question itself; a few years ago, no one other than the Communists would have posed it.

Nor would anyone have imagined that huge throngs would march down Madrid's Paseo de la Castellana in an anti-NATO demonstration carrying an effigy of the prime minister sitting on President Ronald Reagan's right knee. Or that protesters would superimpose his photo on a 20-foot (6-meter) dollar bill, or scribble his name on a



Felipe González

May Day banner as "an enemy of the working class."

All this is part of what, on the political left, is coming to be called *desencanto*, a general sense of let-down whose translation falls somewhere between disenchantment and disillusion.

It would be overstating things to say that a sense of gloom has descended on Spanish politics. It is more like the unreasonable weather Spain has been having lately, day after day of gray skies with only an occasional burst of sunshine to remind people what it should be like.

And through it all, Mr. González retains a considerable popularity among the public. Opinion polls show an approval rating that hovers above 40 percent, which is highly respectable compared with the approval ratings for many other European leaders.

The roots of *desencanto* are not

hard to find. The Socialists have made a gospel of pragmatism and moderation. Hemmed in by the exigencies of an economy in distress, they have pushed through a tough austerity program, forcing a real decline in living standards on Spanish workers. Earlier governments, nervous in the post-Franco transition, avoided any such unpopular programs.

On top of this, the Socialists are pursuing a program of "industrial conversion" to scale down Spain's overstaffed, undercapitalized industries for entry into the European Community. This means that thousands are being retired or let go, in contrast to the Socialists' pledge to create 800,000 new jobs during their four-year term.

The latest industry to be hit was shipbuilding, a perennial problem where government plans for higher productivity and reduced costs may force about 9,600 workers into early retirement. The unions say that as many as 20,000 jobs, in an industry employing slightly more than 40,000, may be eliminated. So once again there are protests and cries of strike and newspaper photographs of policemen whacking workers with riot sticks.

Another issue that has aroused widespread debate is membership in the North Atlantic Treaty Organization. Once opposed to membership, the government now seems quite comfortable with its half-in, half-out status and seems to be laying the groundwork for persuading the Spanish public, among which isolationist sentiment runs strong, to go along with that position in a referendum. Political cartoonists are having a field day with the flip-flop.

So is Pablo Castellano, a Socialist member of Parliament who now

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New Test for Liver Cancer May Raise Victims' Chances for Longer Survival

By Harold M. Schmeck Jr.
New York Times Service

BOSTON — A rapid, highly sensitive screening test for liver cancer has been developed by scientists who say it might have an important impact on diagnosing the disease.

The test, described Tuesday at Massachusetts General Hospital, appears to be reliable and sensitive in detecting cancer that arises in liver cells after long infection with the hepatitis B virus.

Liver cancer is relatively rare in the United States, where there are far fewer chronic carriers of the virus than in Asia or Africa. Infection early in life in those parts of the world also increases the likelihood that cancer will develop.

According to one estimate, there may be as many as 250,000 new cases every year, most of them in Asia and Africa. Moreover, there is growing concern over hepatitis B and the potential for liver cancer in the West.

Usually such cancers are not detected until late in their development. Almost all of the patients die within three to six months after diagnosis. There have been cases, however, in which liver cancer has been detected early, usually by accident while the patient is undergoing extensive diagnostic tests for another disease.

Patients who undergo surgery to remove cancer detected early often live more than five years. The new screening test promises to make such long-term survival more common.

Dr. Jack R. Wands, an associate physician at the hospital, said that the new test might cost \$1 or \$2, could be performed by any competent hospital laboratory in an hour and might become generally avail-

able within a year if federal agencies approve.

The screening test was developed in collaborative research by scientists at the hospital, which is a major teaching hospital of Harvard University, and L'Institut Gustave-Roussy, a research center near Paris.

Liver cancer screening tests currently available lack sensitivity and specificity. Such tests often fail to differentiate between cases of primary liver cancer and other diseases of the liver or even other organs.

The new test was tried on more than 1,700 patients with a wide variety of diseases and was found to be highly specific in identifying those who had liver cancer and was four to 10 times more sensitive than conventional tests.

In a report in the latest issue of The Proceedings of the National Academy of Sciences, the research team called this specificity "striking" and expressed optimism about the potential value of the new test. The authors of the report are Dr. Wands, Dr. Kurt J. Isselbacher, a medical scientist and teacher at Harvard and the hospital, and Dr. Claude J. Buhner of L'Institut Gustave-Roussy.

The new test depends on detection in the patient's blood of a protein called alpha fetoprotein, which is produced by the liver and other tissues of the developing fetus but is seldom detectable in the growing child or adult except in connection with disease.

To achieve a test for alpha fetoprotein that can identify primary liver cancer without confusion with other diseases, such as chronic non-cancerous infection of the liver, the scientists use two types of monoclonal antibodies, each of which detects a different substance on the alpha fetoprotein molecule.

Antibodies are protective proteins produced by the body to seek out and help destroy foreign invaders, such as viruses, and abnormal cells, such as cancer cells. Monoclonal antibodies are specially prepared antibodies that can be produced in the laboratory so that they focus selectively on their targets.

■ The U.S. Senate approved penalties on states that do not have laws making the minimum drinking age 21. Page 3.

■ A fast by an Indian in the United States provoked a Soviet appeal. Page 3.

■ A Nicaraguan called talks with the United States "promising." Page 3.

■ Sir Robert Muldoon will test his popularity in New Zealand's election in July. Page 5.

■ France beat Spain 2-0 to win the European soccer championship. Sports.

■ The United States' net international investment position took its sharpest fall of the post-war period in 1983. Page 9.

TOMORROW

■ The comic book, an ephemeral phenomenon that came to stay, first appeared 50 years ago. Weekend.

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Thatcher Defends EC Budget Plan; European Press Applauds Accord

Reuters
LONDON — Prime Minister Margaret Thatcher of Britain praised on Wednesday the European Community budget compromise reached in Fontainebleau, but came under fire in Parliament for agreeing to a future increase in community funding.

Neil Kinnock, the leader of the opposition Labor Party, invited members of Mrs. Thatcher's ruling Conservative Party who were unhappy with the agreement to join in an effort to defeat the accord.

The West European press, meanwhile, generally welcomed the agreement, reached Tuesday, as a

advance for the 10-nation group to move ahead on other urgent problems.

Mrs. Thatcher told the House of Commons that Britain would end up contributing less to the EC than it does now.

"We should not have got this agreement unless it had been known that we are very pro-European," Mrs. Thatcher told Parliament.

The budget arrangement was earlier criticized outside Parliament by both Conservative and opposition members, but in the debate following Mrs. Thatcher's statement there was little sign of any major revolt in the ruling party over the issue.

Teddy Taylor, secretary of the Conservative Party's European reform group, said: "What concerns us is that Europe will want to come back time after time to ask for further amounts of cash — and sadly we will see a large proportion of that just creating more food surpluses."

Mrs. Thatcher stressed that the deal was conditional on greater discipline in community spending.

The European press expressed satisfaction with the budget agreement, with many heaping praise on President François Mitterrand of France for his role in engineering the accord.

Chancellor Helmut Kohl of West Germany also won tribute and there was occasional grudging recognition of Mrs. Thatcher's willingness to end the long budget dispute.

The liberal newspaper *Süddeutsche Zeitung* in Munich said: "The new Europe is emerging. Soon it will have its own flag and national anthem."

In Rome, the conservative *Il Tempo* proclaimed: "Now Europe can look forward." The liberal *Il Messaggero* commented that the EC had weathered the storm and the agreement was a success for Mr. Mitterrand.

Most French newspapers gave only a cool welcome to the agreement, commenting, as did the leftist *Libération*, that it was "a lame compromise" or as did the conservative *Le Quotidien de Paris* that France would have to pay heavily for the budget agreement.

Ireland takes over the community presidency from France on Monday and The Irish Times said that a cloud had lifted, even though the budget dispute had damaged the EC.

The Irish Independent said that the community was now free to look at unemployment, "surely the biggest problem the 10 have and one they share in common."

Breakthrough for EC: Trade-Off Among Big 3

(Continued from Page 1)

moving French objections to the farm subsidy, clearing the way for the other summit agreements.

Mrs. Thatcher warmly thanked Mr. Mitterrand and Mr. Kohl for their efforts in reaching the settlement.

The EC leaders also agreed to start studies on projects aimed at inspiring a greater sense of being European. Mr. Mitterrand said at a press conference that this would lead to something he called "Europe of the citizen."

Mr. Mitterrand proposed liberalizing trade and restrictions on acceptance of professional diplomas within the community, commissioning a European anthem and a community passport and establishing a European holiday.

The summit meeting was also notable for what it did not accomplish.

Despite Mr. Mitterrand's hope, the leaders did not move to "re-launch" EC political cooperation, although they did create an ad hoc committee to study the feasibility of drafting a new EC treaty, and the possibility of establishing a permanent secretariat for the EC Council.

With the exception of Mrs. Thatcher, there were no calls from summit leaders for greater curbs on EC budget outlays, specifically with a view to further reducing farm spending. The farm subsidies are soaring and threaten to deplete the EC treasury by the end of this year. In 1984, agriculture spending will account for about 60 percent of the community's budgets of 25 billion ECUs.

In Brussels, the EC Commission has repeatedly warned that revenue

will fall short of spending by at least 2.3 billion ECUs this year and by 1.91 billion ECUs in 1985. None of the suggestions, such as EC borrowing, which would require unanimous approval, have won support from key community members.

Concern has also been expressed by members of the EC Commission over the precedent being set by the German subsidy plan. It will allow Bonn to substantially increase the amount and to speed up implementation of a 3-billion Deutsche mark subsidy that will be paid to German farmers starting July 1.

Its purpose is to offset another EC reform measure agreed to in April that abolishes over four years a system of cross-border farm taxes and subsidies that has greatly favored West German farm exports.

No foreign policy initiatives surfaced during the summit conference, with the exception of the disclosure of a surprise telephone call from President Ronald Reagan to Mr. Mitterrand on Monday evening. Mr. Reagan praised as "positive" the French leader's recent visit to Moscow and talks with Soviet leaders.

Some participants at Fontainebleau said the lack of action on foreign policy stemmed from the fact that EC foreign ministers were too busy dealing with the British budget issue. But in a meeting Tuesday with reporters, Claude Cheysson, France's minister for external relations, raised the question of what role the EC would now play in world affairs. His answer was not encouraging.

"Quite apart from progress made here on the British question, it is in sharp contrast to our hopes for playing a role in the world," he said, citing as an example the Soviet Union's attitude toward the community.

"The Soviets still have not accepted us as an entity," preferring to deal with EC governments bilaterally, Mr. Cheysson said.

"In a way," he said, "it shows how far we still must go."



FISHERIES CONFERENCE — Edouard Saouma, director-general of the UN Food and Agriculture Organization, addressing the World Conference on Fisheries Management and Development, which opened Wednesday in Rome. King Juan Carlos I of Spain, at left with his wife and daughters, opened the eight-day conference, calling for world cooperation to avoid "predatory and selfish" exploitation of marine resources.

Castro Meets Jackson, Will Free 22 Americans

Compiled by Our Staff From Dispatches

HAVANA — The Rev. Jesse L. Jackson and President Fidel Castro of Cuba, after more than eight hours of talks, announced early Wednesday that Mr. Castro would release 22 American prisoners.

It was the second time in six months that Mr. Jackson, a contender for the Democratic nomination for president, had negotiated with a foreign country over prisoners. In January, he gained the freedom of a U.S. Navy flier, Lieutenant Robert O. Goodman Jr., in Syria.

Of the 22 Americans to be freed, 18 have been convicted and 4 are facing trial. Most of the charges and convictions are drug-related. No airplane hijackers will be released, Mr. Castro said.

Mr. Jackson said the 22 prisoners would accompany him when he returns to Washington on Thursday.

In Washington, a Justice Department spokesman said the Americans would be met by officials from

the Immigration and Naturalization Service, the FBI and the U.S. Marshal Service.

The spokesman said each of the 22 would be questioned to make sure they are eligible to enter the United States.

Mr. Jackson also submitted a list of Cuban political prisoners and asked for their freedom. Mr. Castro said that while he would consider the list, "I emphasize we made no commitment" to release the prisoners.

In their early-morning news conference, Mr. Jackson also announced that he had invited Mr. Castro to visit the United States. Calling for normalization of U.S.-Cuban relations, Mr. Jackson said, "Our countries can no longer afford mistakes of the past."

Mr. Jackson vowed "to continue this process of rapprochement," saying that he had proposed that the United States and Cuba "exchange ambassadors immediately and with no preconditions."

Mr. Castro agreed, pending acceptance by the United States.

Larry M. Speakes, the chief White House spokesman, said of the proposed exchange of envoys: "We'd have to see a lot more specifics from Cuba. The president would like the Cubans to rejoin the family of nations, but there is a lot they have to stop doing."

Specifically, he said, Cuba would have to "stop exporting revolution."

As he began the Cuban phase of his four-nation Latin America trip, Mr. Jackson was enveloped once again in a political storm involving Louis Farrakhan, his Black Muslim political ally. On Sunday, Mr. Farrakhan called Judaism a "gutter religion" and branded Israel an "outlaw" nation.

Walter F. Mondale, the Democratic Party's likely nominee for president, said Tuesday in New York: "The most recent statements by Louis Farrakhan are venomous, bigoted and obscene. I condemn those statements and urge all public leaders to do likewise. It is crucial that all of us, including Reverend Jackson, repudiate Farrakhan."

But in a television interview from Havana, Mr. Jackson said, "In America, people have freedom of speech to say what they want about whom they want to. Don't keep putting me in the middle of that." (LAT, UPI)

U.S. to Seek Sale of Arms To Kuwait

By Fred Hiatt

Washington Post Service

WASHINGTON — The Reagan administration is submitting to Congress a proposed arms sale to Kuwait that is intended to improve Kuwaiti air defenses, a State Department spokesman, Michael F. Burch, said.

According to other officials, who asked not to be identified, the notification was to have been given Wednesday. They said the package would be worth about \$80 million, a modest sum compared with past U.S. arms deals in the region, and will center on a missile-control system for Kuwait's improved Hawk anti-aircraft missiles.

The package will not include shoulder-fired Stinger anti-aircraft missiles, which Kuwait requested, although Mr. Burch said that such a sale has not been ruled out for the future.

Under emergency provisions that pre-empted Congress from exercising its right to consider, approve or refuse arms sales, the administration recently shipped 400 Stingers to Saudi Arabia.

The Stingers for Saudi Arabia and the package for Kuwait are intended to bolster the air defense of pro-Western countries in the Gulf region against possible attacks from Iran, Kuwait, Saudi Arabia and the smaller Gulf nations support Iraq in its war against Iran.

Mr. Burch also said that the United States was considering ways to share information with Kuwait from U.S. Airborne Warning and Control Systems aircraft based in Saudi Arabia. He indicated that one option would be to transmit information directly from the U.S. Air Force-operated surveillance planes to Kuwaiti defense officials, much as information is now sent to radar scopes in the Saudi operations center.

Kuwait currently receives AWACS information on aircraft and ship movements in the Gulf indirectly by telephone from the Saudi operations center.

Saudi Arabia would have to agree to share information directly with any third country.

"Any arrangement that is made with any state in the region would have to be worked out with the Saudis," Mr. Burch said, "and of course in coordination with us."

Spain's New Idealism Wanes: González Feels the Burden

(Continued from Page 1)

finds himself on the leftist fringe of his party. "They've altered all the priorities," he said in an interview months ago, speaking of his colleagues now in government.

"They accuse us of being utopianists or reds," he said. "But they're the ones who've changed. They don't take on the banks. They abandon Polisario guerrillas in the Sahara. They're going to establish relations with Israel."

"Naturally, the militants are upset. We've lost the battle. But we're not going to give up, and we're not going to make a split because that won't benefit the party."

In part, the *desencanto* was because so much was expected. The left that came in power for the first time since the 1936-39 civil war was a new generation, dynamic and glamorous. It promised change, and the change seemed more than political. Professors and actors whose careers had suffered under Franco were suddenly on call.

The social ticket was an invitation to the red-brick presidential

manor of Moncloa for late-night dinner.

The average age of the 15 cabinet ministers who took office was 41, a year older than the prime minister. They were different from other governments. One rode a motorcycle. Many had beards. A surprising number, in their biographies, listed their favorite music as acid rock.

One cabinet minister, speaking privately, conceded that there was a great difference between planning projects while in the opposition and trying to carry them out once in power. The sacrifice of lofty ideals in the pragmatic world of politics and the need to pursue unsocialistic economic policies was "personally very painful," he said.

There is a kind of nostalgia among some Socialists for the days of opposition to Franco when everything was clear-cut, black and white. The far right has a slogan that goes, "With Franco, we lived better."

Some of the disillusioned Socialists have transformed it to say, "Against Franco, we lived better."

WORLD BRIEFS

Reagan Assails Soviet Restrictions

WASHINGTON (UPI) — President Ronald Reagan said Wednesday he was disturbed by Soviet moves to restrict contacts between Soviet citizens and foreigners and he criticized the "intensified repression" of dissidents such as Andrei D. Sakharov.

In an address that had been billed as conciliatory before the U.S.-Soviet Exchange Conference, Mr. Reagan cited moves in several fields to establish a working relationship with Moscow. But at the same time, he denounced the Soviet Union's closed society and its new restrictions.

"Meaningful contact with a closed society will never be easy," the president told the gathering of scholars, representing private foundations. "And I'm as disturbed as you are about recent reports of new measures taken by Soviet authorities to restrict contacts between Soviet citizens and foreigners."

Israeli Jets Attack Island Off Lebanon

TEL AVIV (AP) — Israeli planes bombed on Wednesday a Palestinian guerrilla base situated on an island off the northern coast of Lebanon, the Israeli military command announced.

The communiqué broadcast by Armed Forces Radio said the base was on Palm Island, five kilometers (three miles) northwest of the northern port city of Tripoli. It was the 12th Israeli air strike since the beginning of the year but the first against the island chain off the Lebanese coast.

The base belonged to Palestine Liberation Organization guerrillas loyal to Yasser Arafat, the broadcast said. It said the island "served as a base for naval training" of guerrilla forces.

Egypt Refuses Asylum to Hijackers

CAIRO (UPI) — A commandeered Iranian jetliner is expected to take off Thursday for an unknown destination after Egyptian officials, irritated at being confronted with two Iranian hijackings in less than two weeks, refused to grant asylum to the two hijackers.

The previous hijackers ended up in France, where they were put under house arrest pending a decision on their request for asylum. Political sources said the second set of hijackers wanted to go to France as well, but the sources said the French were as reluctant as the Egyptians to accept them.

The latest hijackers, reported in Egyptian newspapers to be Iranian military officers, commandeered an Iran Air Boeing 747 on Tuesday over southern Iran. They released 136 passengers and six of the nine crew members in Qatar, and they were permitted to land in Egypt only after reporting they were low on fuel.

One Slain in Bombay; Punjab Calm

NEW DELHI (Reuters) — One person was killed Wednesday in the southwestern city of Bombay as arrests designed to halt renewed Hindu-Muslim violence exceeded 1,000 and troops continued to search for Sikh extremists in the northwestern state of Punjab.

The police said one person was stabbed to death by unidentified attackers in Kherwadi, a Bombay suburb. Police sources said at least 10 people have been slain in Bombay in the past week.

No violence was reported Wednesday from Punjab. The Golden Temple in Amritsar, which Indian troops stormed on June 6, was reopened Monday, closed again on Tuesday and reopened on Wednesday for three hours. The Press Trust of India news agency said about that 10,000 Sikh worshippers visited the temple Wednesday.

Argentine Irked by U.K. on Falklands

BUENOS AIRES (UPI) — A prominent Argentine senator walked out of a meeting with three British members of Parliament on Tuesday, calling them "insolent gringos" for proposing a six-year delay in negotiations on the sovereignty of the Falkland Islands.

Senator Luis León, of President Raúl Alfonsín's center-left Radical Civic Union Party, cut short his talks with the three British legislators, George Foulkes, Cyril Townsend and Lord Kennet. The senator said that the three MPs — the first to visit Argentina since the Falkland Islands war with Britain ended two years ago — proposed rapid establishment of diplomatic and commercial ties between the two countries, but urged that sovereignty talks not begin until 1990.

Talks continued with several other Argentine legislators, including the president of the Senate Commission on Foreign Relations, Adolfo Gass, and the head of the Senate Commission on Interparliamentary Relations, Senator Julio Arnedo.

British Strike Delays Commuters

LONDON (AP) — Commuter rail service was disrupted Wednesday but bus and subway service was said to be close to normal despite a 24-hour walkout by transit workers in support of a 15-week-old coal miners' strike to protest mine shutdowns.

Three of London's 10 newspapers — The Financial Times, The Sun and the Daily Mirror — failed to appear Wednesday after printers walked off their jobs when editors refused to publish a statement by five unions supporting the miners.

State-run British Rail said more than half its commuter trains from southeastern counties to London had been canceled, although some trains were running on all major routes. Thousands of train commuters took to their cars, and a spokesman for the Automobile Association said, "There was as much traffic coming into London at 7:30 A.M. as there usually is at 9 A.M."

Bonn's Mission Bars East Germans

BERLIN (Combined Dispatches) — The West German mission in East Berlin closed its doors to any further East German visitors Wednesday after a man threatened to immolate himself in front of the building.

Fifty-five East Germans reportedly have taken refuge in the entrance hall to pressure Communist authorities into permitting their emigration to West Germany. A mission spokesman said closure of the building "is valid for today and for the time being," adding, "We will wait and see what to do later."

A man 25 to 30 years old poured gasoline on himself in front of the mission on Tuesday. First reports said that he had set fire to himself, but the spokesman said he was stopped from striking the match and brought inside for first aid. He suffered only skin irritation from the gasoline and later left the building voluntarily, the spokesman said. (AP, UPI, Reuters)

Only Minor Damage Found on Shuttle

CAPE CANAVERAL, Florida (AP) — The space shuttle Discovery suffered only minor fire damage during Tuesday's aborted launching, and an official said Wednesday that the launching might be rescheduled in 10 to 14 days.

The damage was caused by a small gas fire at the base of the shuttle when a computer commanded its three main engines to shut down four seconds before Discovery was to lift off with a crew of five men and a woman. An inspection of the engine area early Wednesday "revealed very little damage," the National Aeronautics and Space Administration reported. It said there was no apparent damage to thermal protection tiles, the engine heat shields or the engine nozzles.

A Kennedy Space Center spokesman said that it was too early to determine when the launch could be rescheduled, but Glynn Lunney, shuttle project manager at the Johnson Space Center in Houston, said it might take place in 10 to 14 days.

U.S. Lifts Rules for Local TV Stations

WASHINGTON (AP) — All U.S. commercial television stations have been freed from federal guidelines that require them to present minimum amounts of news and local programming and limit the number of advertisements they air.

The decision by the Federal Communications Commission on Wednesday, which reflects a 1981 deregulation order for the radio industry, was approved by a 5-0 vote. The commission acted despite warnings from congressional leaders that such deregulation was premature.

DEATH NOTICE

Died

KITTY JANTZEN LEEDS

in her residence Villa Eichberg, St. Moritz, Switzerland on June 20th, 1984.

Mrs. Leeds widow of George John Leeds leaves behind her son, his wife and family Ronald and Darcy and Natalie Eichberg-Leeds Douglas and Cynthia Bevin and their child Anee her niece Barbara Ausborn-Anderson

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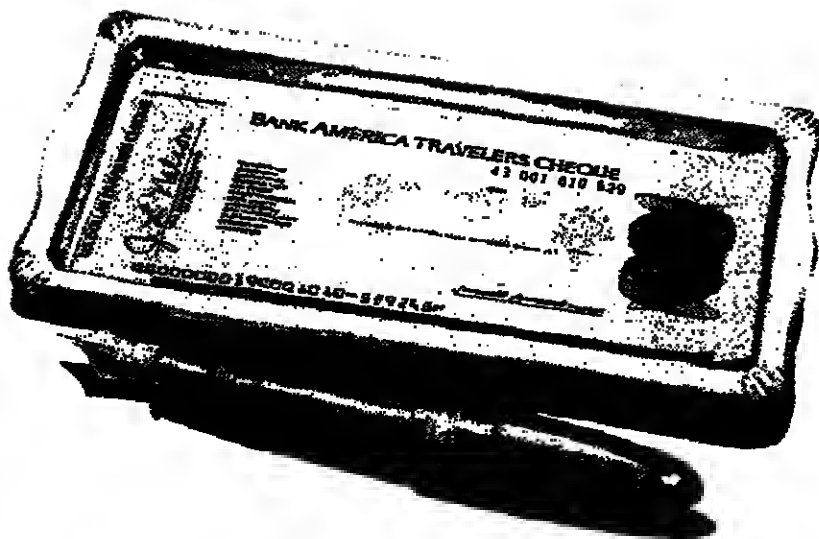
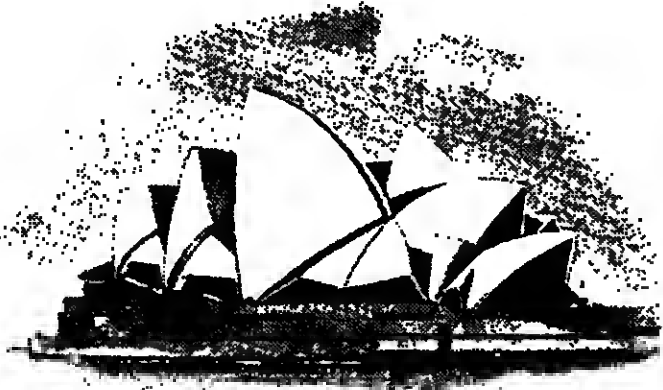
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U.S. Senate Passes Bill to Encourage State Laws Setting 21 as Drinking Age

By Helen Dewar

Washington Post Service

WASHINGTON — The Senate has approved legislation that would reduce federal highway funds to states that do not make their minimum drinking age 21 and would increase funding for states that enact mandatory penalties for drunken driving.

Before approving the proposal, 81-16, the Senate rejected a substitute that would have dropped the penalties but rewarded with extra highway funds those states that enact or maintain laws setting 21 as the drinking age and providing mandatory minimum sentences for drunken driving.

The bill now returns to the House, which earlier this month approved legislation to cut highway funds to states that continue to allow drinking by people under 21.

President Ronald Reagan has endorsed that idea, thereby enhancing chances of enactment this year of federal incentives for a nationwide drinking age of 21.

[At the White House, Larry M. Speakes, the deputy press secretary, said Wednesday that the implications of the bill were a "little broader" than the administration preferred. The Associated Press reported. He said the White House would work with the Senate to pass a bill that is more to the administration's liking.]

Action by the two houses reflects a nationwide movement toward raising the drinking age.

About one-fourth of the states have increased the minimum drinking age in the past two years. Twenty-two states have a minimum drinking age of 21 for all alcoholic beverages. Nine set the age for hard liquor at 21 but allow younger persons to buy beer and wine. The 19 other states have minimum drinking ages of 18, 19 or 20.

Under both the House and Senate provisions, states would have two years after enactment of the federal law to raise their drinking age to 21. States that fail to comply would lose 5 percent of their federal highway construction aid in the third year and 10 percent in the fourth year.

But states that comply during the third or fourth years would be reimbursed for lost funds.

Under the Senate's reward provisions, states that adopt mandatory sentences for drunken driving, in-

cluding automatic revocation of the driver's license, would receive an increase in their highway funds of up to 5 percent.

The required sentencing provisions include loss of license for 90 days and two days to jail on the first conviction, loss of license for one year and 90 days in jail on the second conviction, and loss of license for three years and 120 days in jail on the third conviction.

Civil Rights Bill

Karen Tumulty of the Los Angeles Times reported from Washington:

The House, moving to undo a Supreme Court ruling, on Tuesday passed legislation that would significantly expand the government's ability to cut off funds to institutions that do not comply with anti-discrimination regulations.

The House vote, 375-32, was taken almost four months after the Supreme Court ruled that existing

laws did not allow the government to withhold loans from Grove City College students after the private Pennsylvania college refused to sign a guarantee that it would comply with federal sex discrimination laws.

Congress began to rewrite sections of the civil rights law after the court ruled in February that the college could be deprived of federal funds only in programs in which it had violated federal anti-discrimination laws. For example, federal student loans, which are banded through its financial aid office, could not be cut off if the school discriminated in its athletic programs.

Under the bill passed Tuesday, the government could cut off all funds to any recipient who violates anti-discrimination law in any of its programs. A similar measure has been introduced in the Senate.

Although the court decision specifically dealt with 1972 education amendments to the civil rights laws, it potentially had much broader implications, because other laws, including those against discrimination by race, age, sex and handicap, were written according to the same model.

Representative Peter W. Rodino, a New Jersey Democrat and chairman of the House Judiciary Committee, said in debate Monday, "I do not believe [the court's interpretation] is what the law says; I know that is not what the law intends. If we do not change this ruling, the nation will face a string of serious setbacks for the cause of civil rights."

In another vote Tuesday, the House approved, 405-11, a renewal of the Clean Water Act that would improve several major pollution control programs.

U.S. Woman Sentenced For Aiding Illegal Aliens

United Press International

BROWNSVILLE, Texas —

Stacy Lynn Merk, who was convicted of illegally transporting three Salvadoran refugees, was sentenced Wednesday to two years' probation.

She was the first member of the Sanctuary Movement — a religious organization that supports refugees — to be prosecuted for attempting to aid Central Americans fleeing to the United States. She was convicted May 14 of transporting the three Salvadorans from the Rio Grande Valley to San Antonio, where the aliens were expected to receive lenient treatment by U.S. immigration authorities.

Congress Is at Standoff Over Budget For Military, Increase in Debt Ceiling

By Helen Dewar and Martha M. Hamilton

Washington Post Service

WASHINGTON — Democrats in the House of Representatives have warned that they will reject an increase in the federal debt ceiling unless Republicans agree to a compromise on the military budget in the meantime.

The standoff in attempts by Congress to reduce the federal budget deficit arose as the House Ways and Means Committee approved legislation to increase the debt ceiling by \$53 billion to \$1,573 trillion.

This represents enough borrowing authority to last through the end of August. Without such an increase, the government is expected to run out of borrowing authority next month.

The committee also approved a larger and longer-term debt ceiling increase to be offered as an alternative on the floor. But James R. Jones, Democrat of Oklahoma, who is the chairman of the House Budget Committee and a member of the Ways and Means Committee, said a shorter-term increase would be better for the Democrats because it would give them leverage to force the Republican-controlled Senate to consider military spending cuts.

House and Senate conferees are attempting to work out limits on military and domestic spending as the last key element of a deficit-reduction package of \$140 billion to \$180 billion for the next three fiscal years.

The conferees have agreed on \$61 billion in tax increases and cuts in major benefit programs, mainly Medicare, but they are stymied by the military budget issue.

The Democratic-controlled House Budget Committee wants to include a military-spending limit in the budget resolution, while the Republican-controlled Senate Budget Committee wants the decision to be made by a separate set of conferees, who are working out a final version of the military authorization bill for next year.

One reason for the procedural dispute is that budget conferees, preoccupied with reducing deficits, are thought to be less generous toward the Pentagon than the defense conferees would be.

Also, advocates of military-spending cuts have more leverage

in the budget conference because the House version of the budget calls for a 3.5-percent after-inflation increase for the military, while the House version of the military authorization bill calls for a 6-percent increase. The Senate, by contrast, calls for increases of 7 percent to 8 percent to both its budget resolution and military bill.

From the start of Tuesday's inconclusive budget conference, Pete V. Domenici, Republican of New Mexico and chairman of the Senate Budget Committee, made it clear that he would not deal on the military budget at least until he got the approval of John C. Tower, Republican of Texas, who is the chairman of the Senate Armed Services Committee.

Senate Republicans have dis-



Sun Myung Moon

Moon Blames Press, U.S. Aides In Tax Case

Reuters

WASHINGTON — The Rev. Sun Myung Moon, leader of the Unification Church, has blamed the media and a conspiracy of U.S. government officials for his conviction for tax fraud.

In a rare public appearance, the Korean-born church founder told a Senate subcommittee Tuesday that he was the victim of persecution that he said was a threat to religious freedom. "My skin, my religion have become a target," he said. "I blame circumstances between the government and media that created this distorted image."

The Supreme Court refused on May 14 to review his appeal of a 1982 conviction of failing to report more than \$100,000 in interest earned on more than \$1.7 million deposited in accounts in his name. He has been fined \$25,000 and sentenced to 18 months in prison, a term he has yet to start.

Fast by U.S. Indian Draws Soviet Appeal

By Seth Mydans

New York Times Service

MOSCOW — In an apparent response to Western concern about a reported hunger strike by Andrei D. Sakharov, the Soviet Union has undertaken a publicity campaign about Leonard Pelier, an imprisoned Indian activist in the United States who recently staged his own fast.

Earlier this week, four Nobel Prize winners in the Soviet Union signed an appeal to President Ronald Reagan on Mr. Pelier's behalf that echoed the style of similar petitions from the West on behalf of Mr. Sakharov, the physicist and human rights activist.

The appeal of the Soviet scientists follows Soviet press reports that portray Mr. Pelier, as the Tass news agency put it, as "a typical example of politically motivated persecutions of Americans who are fighting for human rights, against tyranny and lawlessness, against the predatory practices of the government and the monopolies."

This focus on purported U.S. repression follows a tactic taken in the past when Western attention has been directed at the civil rights situation in the Soviet Union. The tactic illustrates a fundamental difference in perception of human rights.

Whereas Western nations stress individual political freedoms and the right of self-expression, the Soviet Union takes pride in guaranteeing jobs and housing as well as low-cost medical care, education and old-age pensions.

Mr. Pelier is serving two consecutive life sentences in a federal prison for the killing in 1975 of two agents of the Federal Bureau of Investigation during a shoot-out at the Pine Ridge Indian Reservation in South Dakota.

On April 10, Mr. Pelier and two other inmates, one an American Indian and one a Jew, began a hunger strike to protest what they said were conditions that hampered their practice of religion.

Mr. Pelier's lawyer, Margaret Gild of Ithaca, New York, said June 1 that he ended his fast May 22 when he was threatened with force-feeding. He was last reported at the medical center of the Federal Bureau of Prisons in Springfield, Missouri.

Soviet reports, including the appeal on Monday and a Pravda report last week that described Mr. Pelier "starved to exhaustion," depict the hunger strike as still under way.

The Nobel laureates' appeal to Mr. Reagan on behalf of Mr. Pelier was signed by Pavel A. Cherenkov, Nikolai G. Basov, and Alexander M. Prokhorov, physicists, and Leonid V. Kantorovich, a mathematical economist. They called on the president to "show the humane-ness that you want to see in others."

The appeal described Mr. Pelier as a freedom-loving man, fighting for human rights, illegally sentenced and suffering innocently,

and said, "His days appear to be numbered."

"Please stop the violation of human rights in your own country, in the state of Missouri, where your compatriot Leonard Pelier is dying," the appeal reads.

The petition echoes the language used by Mr. Reagan himself a

month ago when he called on the Soviet authorities to "do the humane thing" and let Yelena G. Bonner, Mr. Sakharov's wife, go abroad for medical treatment.

Soviet attention on human rights to the West has ebbed and flowed with the level of Western publicity about the rights issue in the Soviet

Union. During 1977 and 1978, when trials of Soviet dissidents were widely reported in the West, the Soviet press focused on such cases as that of the Wilmington 10, a group of made up mostly of black activists convicted of a firebombing to Wilmington, North Carolina.

Message Is Sent to Sakharov's Family

By Dana Priest

Washington Post Service

WASHINGTON — The family of Andrei D. Sakharov has received a telegram purportedly signed by the scientist and his wife.

While guardedly accepting the authenticity of the message, relatives expressed fears that the message might have been altered by Soviet officials to include Mr. Sakharov's name.

No direct, verified communication has been received from the couple since early May, when Mr. Sakharov reportedly began a hunger strike to gain permission for his wife, Yelena G. Bonner, to leave the country for medical treatment.

"This does not constitute proof" that Mr. Sakharov is well, said a U.S. official on Soviet affairs who has worked on the case. The official said telegraph messages in the Soviet Union go through a central telegraph office and could easily be monitored and stopped.

Ruth Bonner, the scientist's mother-in-law, who lives in Newton, Massachusetts, received a telegram Tuesday from the Soviet Union signed, "Kisses, Mom, Andrei."

The message, using English letters to spell Russian words, said they were healthy and congratulated their son-in-law, Yelena, on his coming birthday.

Mrs. Bonner said she believed the telegram came from her daughter, but she said she was worried that Soviet officials may have altered the message to include Mr. Sakharov's name.

"I am sure my daughter is alive," Mrs. Bonner said through a translator. "But the main problem wasn't answered — is Dr. Sakharov alive? Where are they? Are they together or not?"

Mrs. Bonner, 84, said she believed the telegram was authentic because the salutation was in its usual style and because it mentioned the son's birthday, "which I don't think the KGB remembers."

Taiwan Population Density

United Press International

TAIPEI — Taiwan's population density is the second highest in the world, next only to Bangladesh's, economic planning officials said Tuesday. They said Taiwan had 522 people per square kilometer, according to a study made in March. In 1980, Bangladesh had 616 people per square kilometer.

Nicaraguan Calls Talks With U.S. 'Promising'

United Press International

MANZANILLO, Mexico — The first formal talks between Nicaragua and the United States ended with "promising" results and another meeting will be scheduled, according to Deputy Foreign Minister Victor Hugo Tinoco of Nicaragua.

Mr. Hugo, speaking Tuesday at the close of the two-day meeting, said there were several points of agreement in the talks with the U.S. envoy, Harry W. Shlaudeman, but he did not elaborate.

"The first contacts between our countries are promising," Mr. Tinoco said. "We will soon have another meeting. We do not yet know where, but perhaps we will return to Manzanillo, which has proven to be a good place for such a dialogue."

The two negotiators met near Manzanillo, 315 miles (510 kilometers) west of Mexico City. Mr. Tinoco said that details of the meeting would be released by the Foreign Ministry in Managua.

The Reagan administration has publicly denounced Sandinist arms shipments to leftist guerrillas in El Salvador. Nicaraguan officials complain of U.S. Central Intelligence Agency support for rebels fighting to overthrow the Marxist government in Managua.

Other points of contention are the Cuban and Soviet military advisers in Nicaragua and U.S. military personnel training Salvadoran

troops and conducting military maneuvers with Honduran forces.

A Phaseout of Aid

Philip Taubman of The New York Times reported from Washington:

The Senate decision Monday against providing additional aid to Nicaragua rebels this year will force at least a temporary phaseout of U.S. support for the insurgents, senior Reagan administration officials said Tuesday.

The officials said the CIA, which has supported the rebels, was down to less than \$100,000 of an original appropriation of \$24 million for the insurgents for the current fiscal year.

Rebel pressure on Nicaragua's Sandinist government has been a major component of administration policy in Central America. If the rebel activities are sharply reduced, the officials said, the administration will have to develop other ways to press Nicaragua to end its support for guerrillas in El Salvador and negotiate an end to tensions in the region.

With no additional funds immediately forthcoming, the officials said, the CIA's direct involvement in rebel activities will be severely curtailed within a few weeks and the insurgents will have to find money and arms from other sources to continue their paramilitary activities in Nicaragua.

The Senate voted, 89-1, on Monday to delete an additional \$21 mil-

lion for the rebels from a \$1.1-billion emergency spending bill. The House of Representatives voted twice earlier this year against the additional aid.

[The Senate Appropriations Committee approved Tuesday a \$1.8-billion foreign aid bill for 1985 that contains about \$1.4 billion in economic and military aid to Central America, United Press International reported.]

[The bill generally follows the recommendations of the special commission appointed by President Ronald Reagan to propose a long-range U.S. policy for the region. About \$900 million of the amount for Latin America is economic aid.]

Pastora Faction Expelled

The alliance of Nicaraguan rebels based in Costa Rica has ex-

pelled the faction led by Edean Pastora Gomez, the Sandinist hero who was the alliance's military chief, rebel sources told The Associated Press on Tuesday.

Sources inside the Democratic Revolutionary Alliance, who spoke in San Jose on condition that they not be identified, said the decision to expel the Revolutionary Sandinist Front was made by majority vote at a meeting Monday night.

There has been a split for months within the alliance over whether to join forces with the larger, better-financed rebels of the Nicaraguan Democratic Force operating in northern Nicaragua from bases in Honduras. Mr. Pastora is the chief opponent of links with those rebels because many of their military leaders supported President Anastasio Somoza, who was overthrown by the Sandinists in July 1979.

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INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

For Covert Diplomacy

In a gust of hyperbole, Senator John East of North Carolina charges that by abandoning "covert" aid to the Nicaraguan insurgents, Congress is inviting a Communist takeover of Central America. He implies that the sole barrier to Communism in the region is a proxy army waging a war it cannot win without direct U.S. intervention — which even he does not advocate. That is a thin gray line against the border.

Actually, by moving to reject \$21 million in new aid to the "contras," the Senate joins the House in rightly challenging this illegal military intervention. The United States has a whole arsenal of legal means to check Soviet designs in Central America. To maintain that a superpower with overwhelming regional advantage can defend its interests only by backing an emigre army with tainted roots in the Somoza past has all along been an ignoble claim of weakness.

Congress's rebellion will be seen by some as weakening Secretary of State George Shultz's hand in the new negotiations for a live-and-let-live accord with the Sandinista regime. But let Shultz have stronger cards to play. He can offer the Nicaraguans significant aid if they will practice pluralism at home and respect their neighbors' frontiers. And he can threaten them with years of hostile isolation and embargo by a united hemisphere if they will not.

Even the most hard-headed case for the

contra war is ultimately an argument for diplomacy. In three years, the contras have been unable to seize a single village or to generate significant support in the cities. Their soldierly faith notwithstanding, the contras could not hope to overthrow the Sandinistas. At worst, they justified new acts of repression in Managua. At best, their hit-and-run assaults damaged Nicaragua's economy and thus helped to interest the Sandinistas in making a deal.

If the Reagan administration had been clearer all along about having only a diplomatic purpose, Congress might have tolerated further military pressure by way of the contras. But the administration's course before Mr. Shultz's sudden overture to Managua this month inspired no such trust. Indeed, the Reagan administration courted only mistrust by claiming, unpersuasively, that it supported the contras only to interdict Nicaraguan arms shipments to the guerrillas in El Salvador.

The bipartisan disenchantment with this military venture makes this the optimum moment for negotiating the terms on which the United States will let Nicaragua's leftists seek a place in the Americas. The reports of widespread draft-dodging by Nicaraguans suggest that Managua, too, is under strong internal pressure to avoid confrontation. The covert diplomacy now under way is the more honorable and the more promising path.

— THE NEW YORK TIMES.

Timely Warning to NATO

Scarcely had the Senate turned down the Nunn amendment, requiring the United States to start pulling some troops out of Europe if the Europeans do not beef up their conventional forces, when opponents of the measure began to explain it away.

The proposal by Senator Sam Nunn of Georgia, some said, was merely Congress's annual reflex, the sign of a regrettable fatigue with the burdens of alliance leadership.

Forget it, others said: It represents only the sort of impatient talk that true friends can withstand and ignore. Others attributed to Mr. Nunn an unbecoming lapse into isolationism, contrasting this with the responsible internationalism ostensibly displayed by President Reagan in beating the amendment back.

But Mr. Nunn, who with the retirement of Senator John Tower of Texas will have no Senate equal in defense savvy, is not an isolationist. His "fault" is that unlike many of the more glib defenders of the Reagan administration's position, he takes NATO seriously.

He wants a military strategy that defends, and a political connection that lasts.

The North Atlantic Treaty Organization is obsessed with anxiety about nuclear war, and yet its members refuse to pay for a reliable conventional defense and thus make nuclear war less likely. The United States already spends \$90 billion a year on the alliance. Should Americans be more attentive than Eu-

ropeans to the latter's most basic interests? Mr. Nunn proposes, modestly, to give Europe two years' notice, then to begin removing 30,000 troops a year for three years. NATO could easily avoid this trauma — though even under the Nunn plan nearly a quarter of a million men, still a sure "tripwire" for greater U.S. involvement in an attack, would remain.

The Europeans could pay \$1 billion more a year to meet NATO's goal of a 3-percent annual defense increase. Or (the cheaper way) they could buy the munitions stockpiles and the airfields for American reinforcement aircraft that would give NATO a credible 30-day capability in a conventional war.

Those who brush off the Nunn amendment should consider that in the name of alliance solidarity and a strong defense, they are feeding political poison to NATO.

They are supplying the European political leadership with new excuses to continue sloughing off its most vital responsibilities. They are keeping NATO's defense dangerously and precariously balanced on a nuclear threat that the alliance understandably fears and has no faith in. They are inviting the day when the real isolationists in the United States will start putting in their amendments.

The Nunn amendment failed this year. Next year, if things have not improved, it should pass.

— THE WASHINGTON POST.

Other Opinion

The Accord at Fontainebleau

True Europeans, not just the utopians and the mystics, but those who know that the building of Europe is a long-term job, can only be deeply pleased with the agreement coming out of the European Community's Fontainebleau summit. Mrs. Thatcher has contented herself with what she turned down last March. She will doubtless face criticism at home as a result. But the final result is, on the whole, fair. Despite what critics might conclude, Mrs. Thatcher managed to obtain her objective: a substantial rebate (on Britain's EC budget contribution). Britain now is apparently better integrated in the European Community.

— Le Monde (Paris).

Mrs. Thatcher's aggressive and alienating tactics have ultimately given her less than that "half a loaf" which she so contemptuously rejected in 1980. It is, moreover, likely that Britain's settlement will be temporary. In a very real sense, Britain is now on probation. If we now take a more constructive attitude to the way in which the Community can improve the economic lot of the ordinary European, there will be few problems in settling a small budgetary matter when it arises again. If we do not, we will very definitely be left in the slow lane of a two-speed or even a disintegrating Community. Fontainebleau marks a beginning, not an end.

— The Guardian (London).

On Chinese Economic Reform

While the policy of opening up the Chinese economy to foreign influence and relying more on private initiative in domestic production has yielded dividends, a number of problems have emerged. The high agricultural output of

the past year, apparently resulting from private initiative, has led to larger government purchases of surplus production at higher-than-average prices according to contracts signed earlier with farmers.

A better standard of living has also led to an increase in the wage bill. Further, there has been a surge in inflation.

China's foreign reserves are at an extremely high level as the result of a vigorous export effort. Chinese leaders, however, are said to feel that the high reserves may undermine the prospects of getting concessional foreign aid from multilateral agencies. Some observers expect Chinese exports to be cut back.

— The Hindustan Times (New Delhi).

Journalism Under License

If a government has the power to license journalists, the government has the power to revoke that license, and such authority inevitably will be used. That means government control of the press.

The threat is real. A growing number of Latin American countries, including not only authoritarian regimes but also nations that in the past have protected an independent press, have enacted licensing laws.

Among those countries is Costa Rica, which prosecuted a U.S. journalist for working there without a license. In Panama, the government revoked the licenses of three radio broadcasters who criticized the government for permitting the late Shah of Iran to enter the country for medical treatment. In Colombia the government has threatened to revoke the licenses of reporters whose articles have displeased government officials. So far such incidents are the exception, not the rule, but they will inexorably become the rule, not the exception.

— The Los Angeles Times.

FROM OUR JUNE 28 PAGES, 75 AND 50 YEARS AGO

1909: Chinese Boycott Shipping Firm
HONG KONG — Chinese merchants connected with American trade met [on June 26] and decided to boycott the Pacific Mail Steamship Company on account of hardships alleged to have been imposed upon Chinese passengers to America. Several Chinese stated that passengers on one of this company's steamships were put ashore at Kobe on the ground that they had trachoma, despite the fact that they had been passed by the doctor at Hong Kong. Other minor complaints were made and considerable warmth was exhibited at the meeting, the speakers deploring that an American steamship company should ill-treat Chinese at a time when efforts are being made to establish strong commercial reciprocity.

1934: U.S. Unemployment Declines
NEW YORK — Unemployed in the United States in May were estimated at 7,899,000, a decline of 5,304,000 from the peak of March, 1933, by the Industrial Conference Board. The survey shows that re-employment in May was slower than in April, with 72,000 finding jobs in the latter month, while 52,000 were placed on payrolls in May. The estimate counted as employed those working on Government public works projects and also part-time emergency workers employed under Government auspices in lieu of direct unemployment relief. The board said it was impossible to compute the unemployed in agriculture, forestry, fishing and the professions, which since 1930 has been carried at 296,000.

Jackson In Cuba: Bad Show

By James Reston

WASHINGTON — Presidential candidates have for years campaigned from foreign capitals — usually it is good television and therefore good politics — but the Rev. Jesse Jackson's trip to Cuba and Central America is something different. It is bad politics, bad diplomacy and bad manners.

Almost anything goes in America's free-wheeling politics at home. But going abroad and condemning the U.S. "cycle of arrogance," as Mr. Jackson did in Panama, then going to play buddy with Fidel Castro in Cuba crosses the bounds of political and personal arrogance.

What is the man doing? He is not merely trying to liberate a captured American airman, as he did successfully in Syria, or to gather information on the Central American struggle for his campaign, which would be fair enough. He is acting as if he were president. He is interfering with the constitutional rights of the president and Congress to conduct foreign policy.

We must be clear about the difference between having ideas and presuming to negotiate them. It is easy to agree with many of Mr. Jackson's criticisms of President Reagan's Central American policies and his preference for peace over war. Everybody since President James Monroe has been arguing against foreign interference, and nobody could object to Mr. Jackson's suggestion that Central America should be a war-free zone, though this seems impractical.

The point is not that Mr. Jackson is wrong in calling for more contacts with Cuba, or for peace negotiations between the contending parties in Nicaragua and El Salvador. Rather it is that he is presuming to negotiate a settlement, which is, to put it gently, a little cheeky, and to



"Take me to Havana"

put it legally, probably a violation of the Logan Act, which forbids private citizens to negotiate with foreign governments.

In the present conflict between the capitalist and communist worlds, the communists would do almost anything to cooperate with Mr. Jackson in order to embarrass Mr. Reagan. Fidel Castro will give Mr. Jackson some American prisoners and might even take back some of the Cuban convicts in Miami. But while Mr. Jackson's adventures abroad make news, they do not make sense for him or his party.

The same goes at home in this election. Mr. Jackson has come forward, a talented and passionate man, crying for unity between the races, which is badly needed. But instead he is dividing them.

It is true that he has done good service by urging blacks to register and vote, but he is asking them to vote for him and the other black

candidates — directly or indirectly — because they are black. Maybe this was inevitable, considering the white prejudice against blacks for so many generations, but Mr. Jackson's strategy is not likely to work. The more he condemns President Reagan abroad, the more he is likely to drive voters to Mr. Reagan's side in November. And the more he urges black voters to vote for him and other black candidates on the basis of race, the more he will provoke white voters to vote white.

He complains that he has been victimized by the white press. The opposite is true: No presidential candidate in recent memory with so little support has had so much press attention or so little investigation into his past.

The contrast between Gary Hart and Jesse Jackson in these days before the nominating convention is interesting. Mr. Hart has more reason than Mr. Jackson to challenge

many of Walter Mondale's delegates, but he has come to terms with Mr. Mondale and agreed to concentrate on the main issue, defeating Mr. Reagan in November.

Not so Mr. Jackson. Like Mr. Reagan, he loves the stage and the limelight. But there is no way the Democrats can beat Mr. Reagan at this theatrical television game. Their only hope is to put together a unified Democratic Party with a nonpartisan cabinet of the best talents in the nation and campaign together against Mr. Reagan's California buddies.

Does Mr. Jackson care? Of course he cares. He is dead serious about his opposition to Mr. Reagan.

Will he support the Democratic ticket, no matter who wins? And organize the blacks he has registered to vote Democratic in November? The guess here is that he will; but I wouldn't bet the rent on it.

The New York Times.

When Military Men Speak Out

A Soviet Officer Hints at a Split on National Security

By Ernest Conine

WASHINGTON — U.S. experts inside and outside the intelligence community are greatly intrigued by an interview with Marshal Nikolai V. Ogarkov, chief of the Soviet general staff, that appeared in Krasnaya Zvezda, a military newspaper. The analysis are not yet sure just what the interview means, but they suspect that it reflects high-level misgivings over national security policy in the Soviet Union.

The Soviet Union's top military man paid due tribute to the Communist Party's leadership role in building large and effective military forces. "Socialism is firmly established," he said, "and there is now no force capable of stopping its victorious march around the world."

The marshal, however, went on to hint at great concern over the future: "Both the United States and the Soviet Union, he acknowledged, have enough nuclear weapons 'to destroy all the important targets on enemy territory many times over in a short space of time.' A further buildup 'is becoming senseless.'"

It is impossible for either side to "destroy the enemy's systems with a single strike," he said. The defender would have enough weapons left to inflict "unacceptable damage."

Meanwhile, technological progress on conventional weapons is revolutionizing warfare. Long-range, highly accurate "unmanned flying machines" armed with conventional warheads are approaching nuclear weapons in terms of effectiveness.

The pace of change suggests the emergence of even more destructive weapons "based on new physical principles." This will "change established notions of the methods and forms of armed struggle and even of the military might of the state."

Saying it would be a "serious mistake" not to recognize these realities, Marshal Ogarkov quoted Konstantin U. Chernenko, the Soviet leader, as warning that military men must "resolutely overcome any conservatism and inertia."

The Ogarkov interview, published May 9, could be dismissed as just another assault on the U.S. MX missile and strategic defense programs, salted with an appeal for more funds to counteract the North Atlantic Treaty Organization's developing move toward "smart bombs" as substitutes for nuclear weapons even at strategic ranges.

The tone of the interview suggests otherwise, however. The marshal's words seemed to be aimed at members of the Soviet military establishment itself — and possibly at elements of the Kremlin leadership.

The theme that there would be no winners in a nuclear war is not entirely new for Soviet officials. But such statements have usually come from civilian leaders in the context of propaganda charges that President Reagan is plotting a nuclear war.

Marshal Ogarkov clearly seemed to be saying that the Soviet Union had enough offensive missiles, that neither side could achieve a first-strike capability, and that by overinvesting in missiles his country ran the danger of being left behind in developing high-technology weapons.

This supports the impression of well-placed U.S. diplomats that Soviet planners now realize that they overinvested in land-based intercontinental ballistic missiles, and will thus find it easier to accept some trade-offs involving a reduction of their ICBM force.

This assumption was reflected in the recent statement by Edward Rowley, chief U.S. negotiator at the

now-suspended talks on strategic nuclear arms, that Washington was willing to limit its advantage in strategic bombers in exchange for Soviet concessions on land-based missiles.

What came through most clearly in the Ogarkov interview was dissatisfaction with the present state of Soviet nonnuclear weapons technology and the existence of opposition to corrective action.

U.S. defense intelligence officials frequently assert that the Soviet Union is closing the military-technology gap. It is not clear, however, that the Russians share this assessment.

Despite European foot-dragging, NATO is moving by fits and starts toward the deployment of highly accurate, nonnuclear "smart bombs" that could be used, many experts say, to blunt a Soviet attack without the necessity of quick and possibly suicidal recourse to nuclear arms.

Some U.S. officials, noting the

slow pace of the move toward high-technology conventional weapons by NATO, predict that the Russians will deploy "half-smart bombs" while the Western allies are still arguing.

The Ogarkov interview suggests, however, that a lot of foot-dragging is going on in the Soviet Union, too. If so, it is not hard to imagine opposition coming from outside as well as inside the Soviet military.

Kremlin leaders could be resisting Marshal Ogarkov's call for a switch in military priorities on grounds of affordability. High-tech weapons cost money, and some U.S. analysts believe that high military spending is already causing a strain on the troubled Soviet economy.

It is equally likely, however, that Marshal Ogarkov is countering resistance from those who would lose from a switch in investment choices within the military budget.

The so-called metal-eaters, the job-

by representing heavy industry and its allies within the military-industrial complex, have long dominated Soviet economic planning and the related allocation of investment capital. These elements would lose from a substantial shift of resources away from the production of tanks and guns and present-generation planes and missiles to new kinds of weapons. Mr. Chernenko, it should be noted, is generally regarded as a champion of the metal-eaters.

The idea that a significant debate over military spending priorities is developing inside the ruling structure may be far-fetched. But the potential implications for the West in terms of arms control, weapon choices, trade policies and the overall outlook for U.S.-Soviet relations are great.

Even closed societies cannot hide their policy debates from the outside world forever. Kremlin-watchers in and out of the intelligence community are waiting for other shoes to drop.

Los Angeles Times.

U.S. Blurs Line Between Policy, Strategy

By Philip Geyelin

QUEENSTOWN, Maryland — The occasion was an Aspen Institute seminar for professors from small liberal colleges, with a few non-academics on hand. The subject that morning was "Good Leaders and Effective Leadership." The discussion had ranged from Machiavelli to Lincoln, when Lieutenant General Dewitt Smith Jr. (U.S. Army, retired) intervened in high dudgeon.

What had set him off was a news account that day of public remarks the day before by the current deputy chief of naval operations, the vice chief of naval operations and the marine corps' deputy chief of staff at a Naval War College forum on "Strategy" in Newport, Rhode Island.

Their names do not matter — we are talking about two admirals and a general with heavy responsibilities. What does matter is that the "strategic" high-ranking, uniformed officers were talking about included a recommendation for the repeal of the War Powers Act; a prediction that "at some point in our lifetime" a short, conventional "dash" with the Soviet Union is an "almost inevitable probability"; a pooh-poohing of the importance of public or congressional support for the use of military force; and an attack on the wrong-headedness of thinking of military force as a "last resort."

The tone was nicely captured in the pronouncement of one of the admirals that "today the Norwegian Sea is ours; we intend to keep it so."

Mr. Smith is a soldier's soldier. He fought his way up through the ranks in World War II and earned three Purple Hearts. He fought in Vietnam. He also had important staff jobs, serving Pentagon civilian leaders. He is respected as a "defense intellectual" who twice headed the Army War College. He has, then, a clear sense of the distinction between public policy and military strategy. And his deep concern is that the Reagan administration has a dangerously dim sense of this vital distinction.

He would like to hope that the display at the Navy War College was "an aberration." But hope was not enhanced by the fact that Navy Secretary John Lehman Jr. was also on hand. His grandstanding play for a bigger Navy budget at the expense of the other services struck Mr. Smith as worse than the excesses of the uniformed officers supposedly subject

to Mr. Lehman's civilian restraint. That is really Mr. Smith's point: It was not so much what the uniformed officers said as it was the apparent indifference of their civilian superiors. In answer to a question, President Reagan later disagreed with the "inevitability" theory of war. But he had nothing to say about the wis-

dom of a senior marine general advancing the theory. A Pentagon spokesman said Defense Secretary Casper Weinberger plans no disciplinary action.

Later in the day, Mr. Smith sought to reinforce his larger argument. In conversations with the professors after the seminar he found that they could not believe the officers at the Naval War College "could possibly be talking like this on their own — that they must have been reflecting the official position of their civilian superiors." If American scholars couldn't believe it, Mr. Smith wonders, what must the effect be on foreigners in societies where public statements by high-ranking military men are accepted as the official line?

Was a public airing of 'the inevitability theory' of war wise?

So what kind of expression by military officers is appropriate, or indeed an obligation? Mr. Smith's rule is both simple and sound. Military leaders ought to speak forthrightly on matters of a technical, tactical, strategic or military nature to their superiors, but also before Congress or at war colleges — that their views are ground into decisions by people who in our constitutional system are supposed to make the decisions. The admirals and the general, however, were making "ignorant and arrogant statements which were as much political as they were military."

Later, Mr. Smith wrote some afterthoughts. His note read, in part: "One of my concerns is that such a narrow and dangerous construction is given to national security. It means much more than ships, planes, tanks and even men. It requires an economic system which is strong, sustained and fair; a society in some degree of harmony, with open opportunities; a foreign policy representative of our finer values."

"Only then does national security rest, as well, on effective, responsive and responsible military power. Those who equate national security only to national defense do not understand either their own society or the nature and purposes of the military created solely to serve it. And they threaten to cross the important line between civil authority and the military in a free society."

Washington Post Writers Group.

Letter From Greece

Message for The Prophet Papandreou

By Andriana Ierodiakonou

ATHENS — It was a cabinet minister who said it.

We were standing on the top-floor balcony of a Salonika hotel, a perfect vantage point for observing a Socialist rally in progress in the city's main square below, on the waterfront.

There were easily half a million people there. Green-and-white flags with the Greek Socialists' rising-sun emblem waved, theodora music thundered through loudspeakers, crimson flares shot over the crowd. Then Prime Minister Andreas Papandreou stepped out onto a platform overlooking the square to speak, and enthusiasm exploded into pandemonium. It was then that the minister turned to me and shouted excitedly: "Write about this, even if they edit it out! There's a religious feeling, an erotic feeling, between Papandreou and that crowd! The Ayatollah Khomeini couldn't do better!"

It occurred to me then that there is a strong flavor of Greek fundamentalism to Mr. Papandreou's brand of socialism. It has been a key ingredient in the meteoric rise of the Panhellenic Socialist Movement, or Pasok, from a fledgling party in 1974 to government in 1981. It was strongly in evidence in the recent European Parliament campaign, in which the Socialists fought tooth-and-nail to retain their national lead.

The quintessential Pasok slogan is "Greece for the Greeks." At first this seems a puzzling utopia. Who else should Greece be for? In fact it is code for a rejection of Greece's historical role beginning with the fall of Constantinople to the Turks in 1453. Since then, the Greeks have experienced their country as a helpless pawn of tyrannical foreign powers.

Under the Ottomans, the Greeks were forced into a struggle for the preservation of a minimal sense of cultural identity, while in the rest of Western Europe art and philosophy were flowering under the Renaissance. Later, the Great Powers imposed foreign monarchs on Greece who had scant knowledge of the country's affairs. And the Americans backed the repressive dictatorship of the colonels, whose seven-year rule ended in the Cyprus disaster of 1974.

Thus, Greece today is a country with a cultural heritage of thousands of years but which suffers the insecurity of a new Third World state. It is a country that evokes broad sympathy while harboring permanent suspicions of outside conspiracies against it. It is a country that gave Europe its name, but that now feels ill at ease with its European identity.

Mr. Papandreou is finely attuned to this Greek psychology. Greece needed to go through a period of intense nationalism, in which the pent-up frustrations of centuries were vented, and Pasok answered this historical necessity. The vision Mr. Papandreou offers the Greeks is one of a proudly independent country that has left its client-state past firmly behind to make its own policies and jealously guard its rights.

But xenophobia, isolationism and inverse chauvinism make up the dark side of the nationalist coin.

At its most refined, Pasok's vision foresees a rising Greece not only of foreign political influence, but cultural influence as well. The dovetailing of the two goals was neatly illustrated recently when a leftist deputy told residents of an Athens suburb who complained of noisy motorcycle gangs and a growing drug problem in their district that this was the result of the American lifestyle imported into Greece through the U.S. bases.

At home, this philosophy translates into a divisive, blanket rejection of "the right" as being responsible for Greece's ties with the West.

Watching the Salonika crowd's apothosis of Mr. Papandreou, one had cause to wonder. Is this what the Greeks want? When they voted the Socialists into power, they did so as much for Pasok's promise of *alloghi*, or change, as for their pledge to restore battered national pride.

For most, this seemed to mean change that would integrate Greece into the Western developed world — better hospitals, more efficient universities, a tidy bureaucracy, buses running on time — and not an Albania-like process of rude isolation. It meant a tempering of the political excesses that have served as a lit fuse under Greece's democratic institutions since the bitter 1945-1949 civil war — a desire scarcely fulfilled by Pasok's battle cry for the European elections, "The Right Must Die."

As it was, despite the success of the Salonika rally and others like it, Pasok lost 6.5 percentage points from the national lead it had in 1981. The loss of voters, all agree, was heaviest from the Socialists' moderate center, not from their left wing. Will Mr. Papandreou heed this message to become the prophet of the sort of a new Greece that the Greeks want?

International Herald Tribune.

LETTER TO THE EDITOR

Easing the Burden

I couldn't agree more with Pedro Pablo Kuczynski's May 31 opinion column, "Easing the Interest Load Serves the Interest of All." I believe that we cannot wait for a crisis before taking action.

I think, nevertheless, that the problem should be put in the proper perspective. The debt service burden is the aggregate of the basic interest rate and the spreads and other commissions charged by the banks on the outstanding loans. One can argue that the spreads and fees are too high, but one cannot deny that the basic interest rate is extremely high in real terms, and that is because of fiscal policies in the United States.

The easing of the interest burden, therefore, cannot come only from a reduction in banks' profits, but also, to be meaningful, has to come from a reduction of the basic interest rate. The best solution will be a reduction in the level of real interest rates. This will promptly improve the position of the borrowing countries and will produce a corresponding reduction in the margins charged by the banks.

If this objective cannot be achieved promptly because a change in U.S. fiscal policies cannot take place immediately, then there is a need to find a mechanism to ease the interest service burden for as long as real interest rates remain high. Any such mechanism must involve the cooperation of governments, and banks.

We must concentrate now on easing the burden of interest payments of developing countries. I think banks, governments and international organizations should try to organize a temporary facility in the International Monetary Fund to partially refinance interest payments on long tenors and at low interest rates. Such a facility could be financed by contributions of governments and banks and it should be available only to countries whose economic policies and development programs have been approved by the IMF.

CARLOS SANTISTEVAN.

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Muldoon Puts Popularity To Test in New Zealand

By David Skinner

WELLINGTON, New Zealand — Prime Minister Robert Muldoon has called an election for July 14 in which his aggressive leadership and his handling of the economy since 1975 will be major issues.

Sir Robert, 62, is gambling that the voters will overlook the gov-

present a budget," Mr. Lange said.

Sir Robert's autocratic style and sometimes arbitrary intervention in an economy based on livestock, such as recent efforts to influence bank interest rates, could work against him in the election, according to Len Bayliss, an economic consultant and former chief economist with the Bank of New Zealand.

Mr. Bayliss said he believed that New Zealand's three million people were ready to accept tough economic measures and structural adjustments needed to restore growth.

Labor has blamed Sir Robert for a foreign debt of 17 billion dollars (\$11 billion), the slowest growth of any developed country, record interest rates and wage and price controls.

It also noted that unemployment, virtually unknown in New Zealand in the 1950s when the country had the world's highest living standard, was running at more than 5 percent.

Sir Robert, who is also finance minister, vigorously defended his economic record, saying: "Why change?" Government policies "are working," he said.

New Zealand has a trade surplus and he forecast a current account surplus by 1990 from the deficit of 1.59 billion dollars this year as well as a drop in the foreign debt.

This would reflect the impact of the coming on stream of major energy projects that have absorbed 3 billion dollars of foreign borrowings.

One tough decision for a victorious Labor Party could be devaluation of the New Zealand dollar, which is regarded by



Sir Robert Muldoon, prime minister of New Zealand

bankers as overvalued. Devaluation fears put the currency under severe pressure last week and forced Sir Robert to draw more than 145 million dollars in credit lines to shore it up.

With Labor needing an estimated 4 percent to 5 percent swing to win power, interest has heightened in two minor parties — the recently created New Zealand Party and long-established Social Credit Political League, which has two parliamentary seats.

The New Zealand Party, which advocates a free market, came in with éclat under the leadership of

a millionaire businessman, Bob Jones. Mr. Jones left the National Party 10 months ago after a disagreement with the prime minister over his economic policies.

But after attracting an early 18 percent, the popularity of Mr. Jones's party has slipped and analysts think he may win just a seat for himself.

Sir Robert asserts that the voting will hinge largely on his leadership popularity, and predicts that "I will win again."

He has no thoughts of retirement. "I expect to be in office so long that I will probably die there," he said.

East and West Reach Accord On Pollution

World Peace Is Tied Crucial to Environment

Compiled by Our Staff From Dispatches

MUNICH — Delegations from Soviet bloc and Western countries preserved harmony Wednesday at a major environmental congress, reaching a compromise on the text of the final communiqué.

The agreement called for a statement that would refer to the importance of world peace in protecting the environment, West Germany's interior minister, Friedrich Zimmermann, announced.

The Soviet Union and its allies had wanted the communiqué to mention damage done to the environment by the arms race, but the United States and other Western countries opposed the idea, West German sources said.

The Western delegations said the conference, which focused on air pollution, was no place for statements on arms control. However, the Americans eventually agreed to a communiqué that stressed the importance of maintaining peace, West German sources said.

The text of the entire resolution was to be released later Wednesday, the last day of the 31-nation Multilateral Conference on the Environment. It was expected to call for worldwide reduction on emissions of pollutants into the air.

The meeting drew senior delegations from all East European countries except Albania, with the United States, Canada and most West European states also attending.

Delegates have stressed the need for a common approach on combating acid rain, a form of industrial pollution containing sulfur dioxide, which destroys vegetation and can damage buildings.

The Soviet Union said at the conference that by 1993 it would cut the amount of sulphur dioxide pollution that drifts across its western borders by 30 percent.

Nine other European nations and Canada agreed in March to make a 30-percent cut in total sulfur emissions by that date and called on other countries to make similar cuts, either in total or cross-border emissions.

Western sources said the Soviet proposal, while of limited direct environmental benefit, was seen as a favorable political signal.

They noted that despite otherwise cool relations, the United States and the Soviet Union had used the conference to continue bilateral talks on pollution.

(AP, Reuters)

World Labor Group Chides Poland

GENEVA — The International Labor Organization said Wednesday that Poland infringed on workers' rights in suppressing the now-banned Solidarity free trade union. It urged talks aimed at restoring legitimate union activity in the country.

A report by a three-man inquiry commission described the banning of Solidarity following the imposition of martial law by General Wojciech Jaruzelski's Communist government in 1981 as "a step of exceptional gravity."

The commission said that evidence it had gathered during a yearlong inquiry contradicted Polish government assertions that Solidarity had aimed to seize power and overthrow the Communist political system.

In Warsaw, there was no immediate government comment on the report, although officials said the government stood by its statement that Poland might withdraw from the ILO if the report were published. The Polish authorities had

refused to cooperate in the inquiry, condemning it as unwarranted interference in the country's internal affairs.

The ILO report urged "free and unprejudiced exchanges of views between the public authorities and the representatives of the various trade union." Resuming trade union activity under ILO labor standards was essential for Poland's economic recovery, it said.

It further urged Poland to halt legal proceedings against former Solidarity leaders and release those jailed for taking part in strikes and demonstrations or distributing publications. Conditions of Solidarity members held during martial law fell below minimum prisoner treatment standards, the report said.

The ILO also pressed for independent inquiries into violent deaths of trade unionists in strikes and demonstrations, saying security forces were alleged to have been responsible for 60 deaths.

It urged reconsideration of dismissals of thousands of workers

dismissed for belonging to Solidarity. New officially sanctioned trade unions set up in 1982 could not be considered successors to Solidarity and had no right to take over the banned union's property, the report said.

U.S. Plans Crackdown On Wildlife Trafficking

New York Times Service

WASHINGTON — Attorney General William French Smith has announced a new effort by the government, in cooperation with the World Wildlife Fund, to crack down on illegal imports of wildlife and wildlife products.

He said that over the past decade "the black market for rare and exotic species has been booming, enabling unscrupulous traders in wildlife to pile up enormous profits." He said the focus of the effort to halt the illegal trade would be enforcement of the Lacey Act, which, among other things, prohibits trade in wildlife products.

Carl Foreman, 69, Screenwriter and Director, Is Dead

New York Times Service

NEW YORK — Carl Foreman, who wrote the script for "High Noon," "The Guns of Navarone," "The Bridge on the River Kwai," and produced and directed "The Long Walk Home," died of cancer today at his home in Beverly Hills, California.

Mr. Foreman left Hollywood for London after he appeared in 1951 on the House Committee on Un-American Activities, was named as an "uncooperative witness" and was blacklisted. He did originally claim credit for the Academy Award-winning screenplay of the 1957 film "The Bridge on the River Kwai," written with Michael Wilson. But the script indeed Mr. Foreman's "trade-mark" — characters named Baker, Brown and Weaver.

Mr. Foreman's script for "High Noon" was nominated for an Academy Award, as were his scripts for "Champion," "The Long Walk Home" and "The Young Winston."

Mr. Foreman was born in Chicago and studied at the University of Illinois, Northwestern and the J. Marshall Law School. He dropped out of law school and after

Yugoslav Party Leader

BEGRAD — Ali Sukrija, 65, came president for a year of the Yugoslav Communist Party Wednesday. He replaced Dr. Drazko Markovic.



Carl Foreman

holding various jobs moved to Hollywood in 1938. There, he worked as a reader, or story analyst, for several studios and as a film laboratory technician while continuing to write.

During World War II he served in the Army Signal Corps and was assigned to a unit that made training films, run by the director Frank Capra.

Other deaths: Alida Ward, 84, a nightclub, stage and radio singer in the 1920s and 1930s who popularized the hit song "I Can't Give You Anything But Love, Baby," of a respiratory ailment in Washington.

William Keighley, 94, who directed dozens of Hollywood movies, including "The Prince and the Pauper," "Great Expectations" and "The Man Who Came to Dinner," of a stroke Sunday.

Sir Cecil Parrott, 75, a veteran British diplomat, family death notices said Tuesday.

Dill Jones, 60, a Welsh-born musician who became a versatile jazz pianist, of cancer Friday in New York.

Black Bishop Accuses South Africa of Torture

Reuters

WASHINGTON — A black Lutheran bishop who said he was hung upside-down from a third-floor window by South African security forces has called for a commission of inquiry to investigate torture by the government.

Bishop Tshenwani Simon Farani said Wednesday: "Apartheid and torture are inseparable twins. You can't have one without the other."

He also said he was forced to stand on his head, beaten until he lost consciousness, made to drink lavatory water and given electric shocks with electrodes attached to his carotides and genitals.

Bishop Farani, who is on his second trip to Europe and the United States, appeared Wednesday with officials of the human rights group Amnesty International and Senator Charles H. Percy, Republican of Illinois.

Senator Percy, who is chairman of the Foreign Relations Committee, said he was introducing legislation to encourage U.S. embassies more vigorously to oppose torture. "This is the beginning of a new effort on our part to enhance U.S. policy against torture," he said.

Bishop Farani said he spent 372 days in prison over a period of five years, regularly undergoing torture by security police.

The bishop, who attributed his torture to his preaching and his race, said he was finally released in June 1982 after pressure from Amnesty International, Lutheran churches in the United States and

West Germany, the U.S. government and the Red Cross.

The resolution that Senator Percy proposed does not go as far as a blueprint for congressional action against torture urged by Amnesty International.

The resolution directs Secretary of State George P. Shultz to instruct U.S. embassies to examine allegations of torture and send Washington the information.

It also instructs embassy officials to meet rights groups, to express concern over torture cases and to send observers to trials when there is reason to believe torture was used against defendants.

India Reports a Clash With Pakistani Troops

The Associated Press

NEW DELHI — Indian and Pakistani troops clashed near the border of Kashmir state 10 days ago and one Indian soldier was killed in the fighting, Defense Ministry officials said Wednesday. There was no immediate confirmation of the report by Pakistan.

The Indian officials said that Pakistani troops intruded into part of the Indian-controlled Siachen glacier in the Nubra River valley, hoping to claim the territory. They said that India sent in paratroopers to drive the Pakistani soldiers out of the mountainous area and that Pakistani troops started shooting, triggering a heavy exchange of gunfire.

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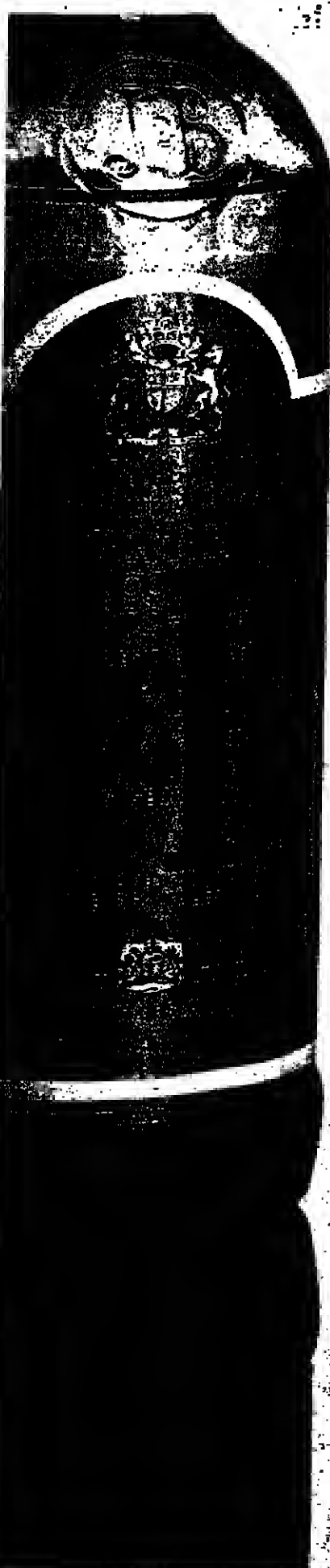
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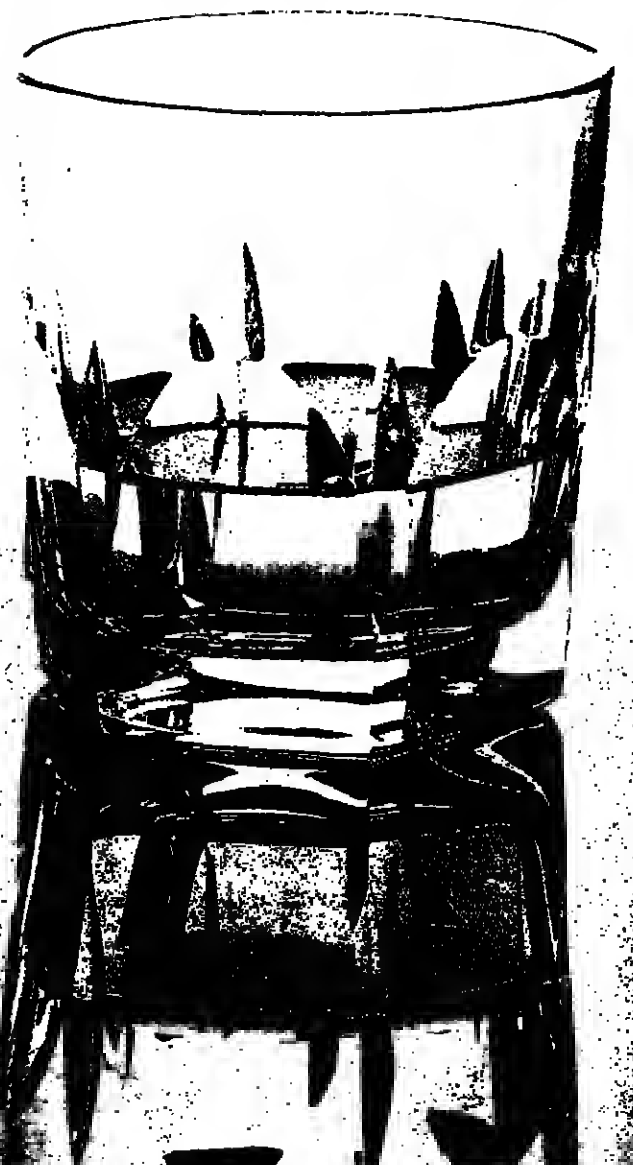
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SCIENCE

Immune System Mystery Has Been Solved After Long Quest

By Harold M. Schmeck Jr.
New York Times Service

A MYSTERY that has puzzled biologists for more than a decade has been solved, and the result could be greater knowledge and perhaps better treatment of important diseases, including cancer.

What had eluded scientists for so long was an understanding of how a certain cell vital to the body's defense against illness — the so-called T cell — can recognize invading enemies such as viruses and bacteria. It was known that it must have a recognition site, or receptor, on its surface, but the nature of that receptor had escaped detection. Now the chemical and physical structure of that receptor and its genes have been determined.

Immunity depends on recognition signals. Defense cells in the body must always be able to tell self from alien, friend from foe.

Among the most crucial cells of the immune defense system are the types called T cells and B cells. They act as organizers, sentinels, assassins or guided missiles to deal with invasions and subversions of many kinds.

To insure that their attacks are properly directed and their actions properly controlled, the cells have chemical configurations on their surfaces — receptors — that act as keys. If something on the surface of a virus fits the receptor on the surface of a B cell, for example, the cell starts a train of events that produces a swarm of protective antibodies against the virus.

The identity of B-cell receptors has been known for a long time. Those recognition sites are actually antibodies that constitute a normal part of the cell surface. Until recently, however, the nature of the T-cell receptor was a mystery.

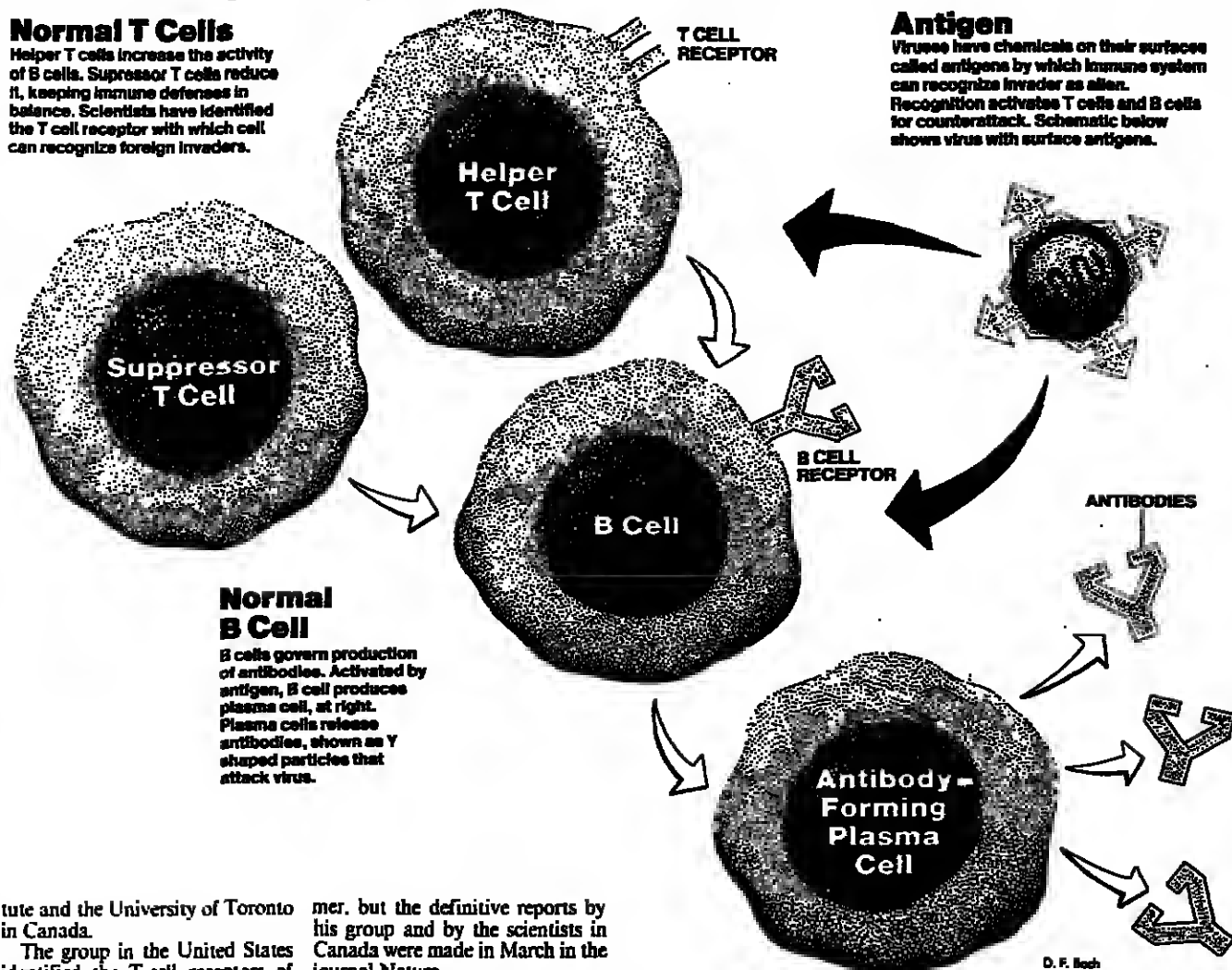
Since B-cell receptors are antibodies, it seemed logical that T-cell receptors might be antibodies also, but all efforts to prove this failed.

So difficult and fraught with disappointments has the search been that the T-cell receptor has been referred to as "the Holy Grail of immunology."

WITHIN roughly the past year, the nature of the T-cell receptor was discovered independently by two teams of scientists.

One team was led by Dr. Mark M. Davis, now of Stanford University, and Dr. Stephen M. Hedrick of the University of California at San Diego. They did much of the work while at the National Institute of Allergy and Infectious Diseases in Bethesda, Maryland. The other team was led by Dr. Tak W. Mak at the Ontario Cancer Insti-

Normal T Cells
Helper T cells increase the activity of B cells. Suppressor T cells reduce it, keeping immune defenses in balance. Scientists have identified the T cell receptor with which cell can recognize foreign invaders.



Normal B Cell
B cells govern production of antibodies. Activated by antigen, B cell produces plasma cell, at right. Plasma cells release antibodies, shown as Y shaped particles that attack virus.

ture and the University of Toronto in Canada.

The group in the United States identified the T-cell receptors of mouse cells, while the group in Toronto worked with human cells.

Chemically the two are sufficiently similar to make it clear that they are variants of the same thing — a molecule related to an antibody — is put together by the cell in much the same way that antibodies are generated, but the molecule is nevertheless distinct from any antibody.

Somewhat earlier, three groups had found evidence that the T-cell receptor consists of two linked chains of amino acids, the building blocks of proteins. They are known as the alpha chain and the beta chain.

The scientific teams have identified and worked out the chemistry and genetics of the beta chain in detail — considered to be an important advance in understanding of the T cell. It is expected that the alpha chain will be found and reported soon.

Dr. Davis made a preliminary report of the achievement at a scientific meeting in Japan last summer, but the definitive reports by his group and by the scientists in Canada were made in March in the journal *Nature*.

"It is a problem that immunologists have been plagued with for a generation and now it is solved," said Dr. William Paul of the Bethesda institute. He said the discovery of the T-cell receptor is important in three ways:

• Intellectually, because the problem was so difficult.

• Because of what it will probably allow scientists to discover concerning the actions of T cells.

• Because greater knowledge of the details of T-cell function may make it possible to manipulate the human immune defense system in many ways that have not previously been possible in the treatment and prevention of disease.

THE functions of T cells and B cells are separate but interlocking. Better understanding of the T cell receptor may make this relationship easier to understand and control.

The body generates millions of different antibody types, each capable of recognizing a different chemical configuration or shape. There are so many different configurations of the coupling sites of antibodies, in fact, that one or another can be found that will match a shape on the surface of almost any invading microbe or virus.

Once the antibody on the surface of a B cell encounters its matching shape on a foreign invader, the B cell is stimulated to grow and produce a generation of new cells called plasma cells, which in turn produce antibodies of that specific type. These antibodies act like missiles circulating throughout the body. When such an antibody encounters a virus that has a chemical profile matching the B-cell receptor, it attaches to that matching shape and, by doing so, takes the virus particles out of circulation.

The immune defenses preserve a memory of any such incident so that a second attack by the same kind of virus will be counter-

acted so fast and so powerfully that infection never takes hold. Vaccines generate such immunological memories in people who have never had an infection with the natural virus.

T cells play an even more complex set of roles. Some, called helper T cells, bolster the activity of matching B cells. Others, called suppressor T cells, act to shut off that activity when it has gone far enough. The two are important in keeping the immune defense system in balance.

When it gets out of balance the result can be serious disease. For example, acquired immune deficiency syndrome, or AIDS, involves a virtually complete lack of one set of helper T cells known as T-4 cells. Some leukemias and lymphomas — cancers of the blood-forming system — seem to result from wild proliferation of defective B cells in some cases and T cells in others.

Antigen
Viruses have chemicals on their surfaces called antigens by which immune system can recognize invader as alien. Recognition activates T cells and B cells for counterattack. Schematic below shows virus with surface antigens.

Attempts to treat such B-cell diseases have already been made by finding the precise clone of cells that have gone cancerous and trying to eradicate that clone. Now that the T-cell receptor is known, Dr. Hedrick said, it may prove possible to do the same for some cancers that involve T cells.

The defensive actions of T cells also include the production of powerful substances called lymphokines that help bring other immune cells into action in the body's defense. Some T cells, distinct from helpers and suppressors, can be activated to become killers themselves. Such T cells can destroy bacterial cells or cancer cells or cells infected by a virus.

UNLIKE B cells, which can recognize and attack free-floating viruses or other particles, the T cell seems to concentrate its attentions exclusively on cells.

Dr. Paul said a T cell's receptors usually must recognize both "foreignness" and "self" on the cells it will attack or regulate.

The natural determinants of "self," known as the major histocompatibility complex, are vitally important to doctors involved in organ transplantation.

A patient who needs a kidney transplant, for example, must be guarded with powerful immunosuppressive drugs to keep the body's T cells from recognizing the transplanted tissue as foreign and destroying it.

Greater knowledge of T cells and the ability to prevent them from functioning by generating antibodies against their receptors might lead to a new means of dealing with transplant rejection, the main obstacle to such operations.

Dr. Davis said the new grasp of the T cell's biology should lead to better knowledge of how many varieties of such defensive cells exist and give important new insights into the regulation of the immune response.

Many difficult diseases, including rheumatoid arthritis, are caused by what are called autoimmune reactions, in which the body's immune defenses turn against some of its own tissues. T cells that act abnormally are almost certainly a key factor in causing such crippling diseases.

It might be possible, Dr. Paul said, to design T cells to order, making varieties that would serve as powerful drugs to fight viruses or cancers. Antibodies against certain clones of T cells might be used to eliminate those that were causing autoimmune disorders.

IN BRIEF

3-D Electron Microscope Developed

CAMBRIDGE, Massachusetts (NYT) — Scientists at the Massachusetts Institute of Technology say they have developed the first electronic microscope system that can observe three-dimensional images of changes within living cells.

The system employs the beam of the electron microscope in conjunction with a device that rotates the sample through 90 degrees. A computer then produces images on a special display screen in the actual time that the processes take place. The sample can be as large as half an inch across.

Dr. Alan Nelson, a professor of biomedical engineering at MIT who mated the components into the process he has named microtomography, said a major advantage is that the sample does not have to be placed in a vacuum, which would kill it, before being exposed to the electron beam.

Hypertension, Salt Link Discounted

WASHINGTON (UPI) — A deficiency of calcium and potassium and too little vitamins C and A may be more important in the development of high blood pressure than overuse of salt, a research team in Oregon has found.

In a report that contradicts one of the leading theories of hypertension, the researchers said nutritional histories of 10,372 people between the ages of 18 and 74 show those with the highest salt consumption had the fewest cases of high blood pressure. On the other hand, lower consumption of calcium, potassium, vitamin A and vitamin C was statistically associated with hypertension in the study, the researchers wrote in *Science*, a weekly journal.

"It is suggesting people can ignore advice from the surgeon general, the National Academy of Science and others to cut down on sodium consumption. I think that's highly irresponsible," said Bonnie Liebman, a nutritionist with the Center for Science in the Public Interest.

Study Connects Estrogen, Cancer

LONDON (AP) — Early results of a British study have established a strong link between breast cancer and high levels of biologically active estrogen, a chief researcher for the Imperial Cancer Research Fund said.

The researcher, John Moore, said that a comparison of Japanese women to American and British women has reinforced the link, although the reason some women have higher levels of active estrogen remains unknown. British and American women have a higher level of active estrogen than the Japanese.

He said previous research found little link between estrogen levels and cancer because active and non-active states of the hormone were not differentiated.

Vaccine Effective Against Meningitis

ALBANY, New York (AP) — A vaccine tested on children at the Albany Medical College may mark "the beginning of the end" of spinal meningitis, according to a researcher at the college.

Squibb Company is the developer of the vaccine, which still must be approved by the U.S. Federal Drug Administration.

"I think it's the beginning of the end of this most common form of meningitis," said Dr. Martin Lepow, professor of pediatrics at Albany Medical College. The bacterial flu strain, which attacks 20,000 to 30,000 U.S. children each year, can cause a variety of illnesses, including spinal meningitis, infections of the bones and joints, pneumonia, epiglottitis and facial cellulitis.

Heart, Circulatory Ills Top Death List

GENEVA (AP) — Heart disease, cerebrovascular diseases and other diseases of the circulatory system are the world's leading killers, causing 25 percent of all deaths, the World Health Organization said in its annual statistical report.

In industrialized nations, however, heart and circulatory disease cause nearly half the deaths and cancer is the No. 2 killer, causing 19 percent of the deaths.

Respiratory diseases like bronchitis, influenza, pneumonia and tuberculosis rank second worldwide, causing 18 percent of all deaths while infectious and parasitic diseases rank third, causing 14 percent of deaths worldwide, although they are negligible in industrialized societies, the report said.

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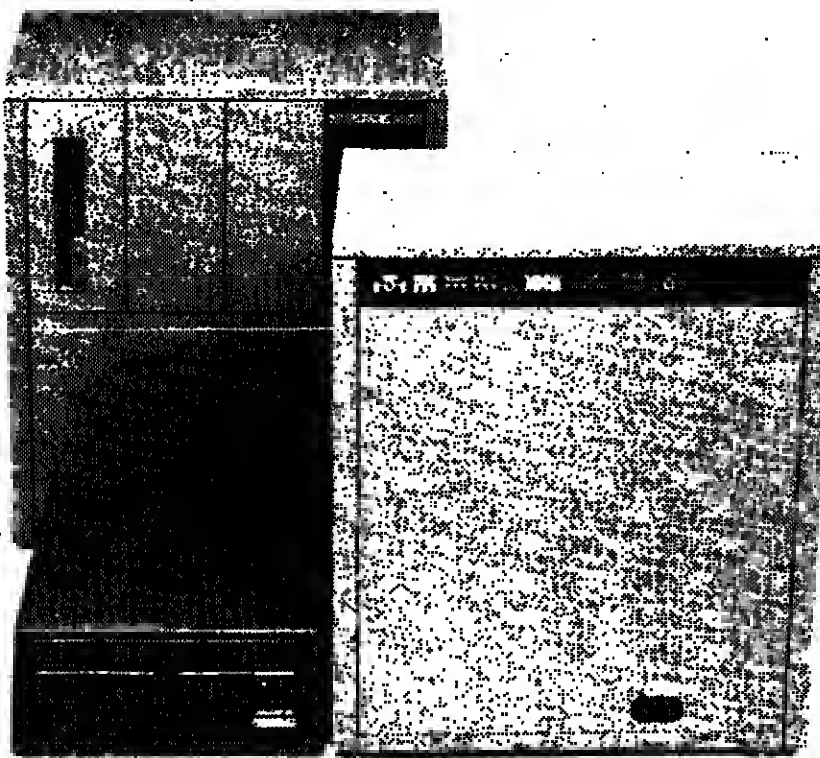
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Symbol	Vol.	High	Low	Open	Close
IBM	1,112,121	104 1/4	103 3/4	103 3/4	104 1/4
AT&T	1,088,881	27 1/2	27 1/4	27 1/4	27 1/2
GE	1,088,881	27 1/2	27 1/4	27 1/4	27 1/2
AMC	1,088,881	27 1/2	27 1/4	27 1/4	27 1/2
...

Dow Jones Averages

Index	High	Low	Open	Close
Industrial	1,128.10	1,126.10	1,127.10	1,126.10
Composite	1,128.10	1,126.10	1,127.10	1,126.10
...

NYSE Index

Index	High	Low	Open	Close
NYSE	1,128.10	1,126.10	1,127.10	1,126.10
...

Wednesdays NYSE Closing

Vol. of 3 P.M.	63,570,000
Prev. 3 P.M. vol.	64,370,000
Prev. consolidated close	79,445.00

AMEX Diaries

Symbol	High	Low	Open	Close
AMEX	1,128.10	1,126.10	1,127.10	1,126.10
...

NASDAQ Index

Index	High	Low	Open	Close
NASDAQ	1,128.10	1,126.10	1,127.10	1,126.10
...

AMEX Most Active

Symbol	Vol.	High	Low	Open	Close
AMEX	1,112,121	104 1/4	103 3/4	103 3/4	104 1/4
...

Standard & Poor's Index

Index	High	Low	Open	Close
S&P	1,128.10	1,126.10	1,127.10	1,126.10
...

Dollars Bond Averages

Bond	High	Low	Open	Close
Bond	1,128.10	1,126.10	1,127.10	1,126.10
...

AMEX Stock Index

Index	High	Low	Open	Close
AMEX	1,128.10	1,126.10	1,127.10	1,126.10
...

Prices on NYSE Close Lower

NEW YORK — Prices were broadly lower at the close of the New York Stock Exchange on Wednesday in sluggish trading.

The Dow Jones industrial average, which lost 7.73 Tuesday, was down 6.18 to 1,116.60 at the close. It declined 0.55 Monday after surging 44.17 last week. Analysts said some investors were cashing in on the profits.

The Dow transportation average was off 5.86 to 466.25 and the Dow utilities average was down 0.39 to 123.98.

Declines led advances by a 9-5 margin. Volume was about 79.5 million shares, down from the 82.6 million traded Tuesday.

Prices were lower in moderate trading of American Stock Exchange issues.

Analysts said there was little activity either on the buy or sell side prior to the end of the quarter.

"Most of the window dressing has been completed," said Marvin Katz of Sanford C. Bernstein & Co. "But in light of the hike in interest rates, the market isn't doing that badly."

"The biggest thing that is happening to this market is corporate stock repurchase programs that have taken \$6 billion in equities out of circulation," Mr. Katz said.

Monday's increase in the prime interest rate to 13 percent from 12 1/2 percent has put a damper on investors' spirits even though congressional conferees have approved a cut in the long-term capital gains holding period.

Bonds showed some strength in the early going following the Treasury's successful sale Tuesday of \$6 billion in four-year notes, which yielded 13.69 percent.

Preston Martin, Federal Reserve vice chairman, said he thought investors had overreacted to last week's report of a 5.7-percent increase in the second-quarter gross national product.

Mr. Martin said he thought the economy was slowing to a more sustainable pace. That would mean the Fed would not have to tighten credit much.

Southern California Edison was the most active issue, unchanged at 37 1/2 following two blocks of 500,000 shares each at 38 1/4.

AT&T, which lost 1/2 Tuesday, was active with a block of 500,000 shares at 16 1/4. AT&T Tuesday introduced a new personal computer and a series of telephone modems.

Sony Corp. made the list with a block of 400,000 shares at 15 1/4. Some analysts think Sony's rival Matsushita Electric's long-term outlook is stronger. Matsushita was higher.

Continental Group, up 6 the previous three sessions, was higher in active trading. Continental, which said it was for sale, arranged a \$2-billion line of credit. Sir James Goldsmith reportedly is interested in the company.

Quaker Oats was lower after Drexel Burnham Lambert cut its earnings estimates for the company.

J.C. Penney slumped. The stock dropped 3/4 Tuesday after Drexel Burnham projected possibly flat earnings for the company.

Tandy Corp. was lower. The stock dropped 3/4 the previous two sessions after Tandy projected lower fourth-quarter earnings.

IBM, which lost 1 1/4 Tuesday, was active. ON Monday it unveiled improved graphics for its personal computer line.

Symbol	High	Low	Open	Close
IBM	104 1/4	103 3/4	103 3/4	104 1/4
AT&T	27 1/2	27 1/4	27 1/4	27 1/2
GE	27 1/2	27 1/4	27 1/4	27 1/2
...

Symbol	High	Low	Open	Close
IBM	104 1/4	103 3/4	103 3/4	104 1/4
AT&T	27 1/2	27 1/4	27 1/4	27 1/2
GE	27 1/2	27 1/4	27 1/4	27 1/2
...

Symbol	High	Low	Open	Close
IBM	104 1/4	103 3/4	103 3/4	104 1/4
AT&T	27 1/2	27 1/4	27 1/4	27 1/2
GE	27 1/2	27 1/4	27 1/4	27 1/2
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Symbol	High	Low	Open	Close
IBM	104 1/4	103 3/4	103 3/4	104 1/4
AT&T	27 1/2	27 1/4	27 1/4	27 1/2
GE	27 1/2	27 1/4	27 1/4	27 1/2
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Symbol	High	Low	Open	Close
IBM	104 1/4	103 3/4	103 3/4	104 1/4
AT&T	27 1/2	27 1/4	27 1/4	27 1/2
GE	27 1/2	27 1/4	27 1/4	27 1/2
...

Symbol	High	Low	Open	Close
IBM	104 1/4	103 3/4	103 3/4	104 1/4
AT&T	27 1/2	27 1/4	27 1/4	27 1/2
GE	27 1/2	27 1/4	27 1/4	27 1/2
...

Symbol	High	Low	Open	Close
IBM	104 1/4	103 3/4	103 3/4	104 1/4
AT&T	27 1/2	27 1/4	27 1/4	27 1/2
GE	27 1/2	27 1/4	27 1/4	27 1/2
...

Symbol	High	Low	Open	Close
IBM	104 1/4	103 3/4	103 3/4	104 1/4
AT&T	27 1/2	27 1/4	27 1/4	27 1/2
GE	27 1/2	27 1/4	27 1/4	27 1/2
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Symbol	High	Low	Open	Close
IBM	104 1/4	103 3/4	103 3/4	104 1/4
AT&T	27 1/2	27 1/4	27 1/4	27 1/2
GE	27 1/2	27 1/4	27 1/4	27 1/2
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Symbol	High	Low	Open	Close
IBM	104 1/4	103 3/4	103 3/4	104 1/4
AT&T	27 1/2	27 1/4	27 1/4	27 1/2
GE	27 1/2	27 1/4	27 1/4	27 1/2
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Symbol	High	Low	Open	Close
IBM	104 1/4	103 3/4	103 3/4	104 1/4
AT&T	27 1/2	27 1/4	27 1/4	27 1/2
GE	27 1/2	27 1/4	27 1/4	27 1/2
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Symbol	High	Low	Open	Close
IBM	104 1/4	103 3/4	103 3/4	104 1/4
AT&T	27 1/2	27 1/4	27 1/4	27 1/2
GE	27 1/2	27 1/4	27 1/4	27 1/2
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Symbol	High	Low	Open	Close
IBM	104 1/4	103 3/4	103 3/4	104 1/4
AT&T	27 1/2	27 1/4	27 1/4	27 1/2
GE	27 1/2	27 1/4	27 1/4	27 1/2
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IBM	104 1/4	103 3/4	103 3/4	104 1/4
AT&T	27 1/2	27 1/4	27 1/4	27 1/2
GE	27 1/2	27 1/4	27 1/4	27 1/2
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Symbol	High	Low	Open	Close
IBM	104 1/4	103 3/4	103 3/4	104 1/4
AT&T	27 1/2	27 1/4	27 1/4	27 1/2
GE	27 1/2	27 1/4	27 1/4	27 1/2
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GE	27 1/2	27 1/4	27 1/4	27 1/2
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Symbol	High	Low	Open	Close
IBM	104 1/4	103 3/4	103 3/4	104 1/4
AT&T	27 1/2	27 1/4	27 1/4	27 1/2
GE	27 1/2	27 1/4	27 1/4	27 1/2
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1. The first step is to identify the problem or question that needs to be answered. This involves understanding the context and the specific requirements of the task.

1

1. The first step in the process is to identify the problem or issue that needs to be addressed. This involves gathering information and understanding the context of the problem.

1. *Revised* with appropriate changes to the text.

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Wednesday's **AMEX** Closing

Vol. of 3 P.M. 3,290,000
Prev. 3 P.M. vol. 3,290,000
Prev. consolidated close 4,660,000

Tables include the nationwide prices up to the closing on Wall Street

Receipts of technical problems, closing prices for the following issues are available for this edition. These are 2 am prices:

12 Month High Low	Stock	Div. Yld. PE	52 Week High Low	Close
12 1/2	AT&T	4.00 7.1 15	115 1/2 117 1/2	116 1/2
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Remuneration will be commensurate with qualifications and experience in range of DM 4,000-5,000 per month plus company housing. Qualified applicants should submit a curriculum vitae and samples of their research output by July 31, 1984 to Personnel Dept., RADIO FREE EUROPE/RADIO LIBERTY, INC., Dattingsstrasse 87, 6000 Munich 22, West Germany.

RFE-RL

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2. Establishing and strengthening collaborative links with national agricultural research and training programs in the region (Morocco and Pakistan) and where appropriate, in less developed countries elsewhere in the world.
3. Developing research and training linkages with regional and international organizations and centers and with appropriate resource institutions in advanced countries.
4. Establishing and monitoring the execution of cooperative agricultural research and training projects.
5. Supervising the regional offices of ICARDA (currently Cairo, Tunis, Amman, Beirut).
6. Assisting the Director General in contacts with Governments in the region and with donor organizations.

Qualifications:

1. Ph.D. degree in an appropriate field of agricultural research.
2. A minimum of five years in research leadership position.
3. Wide international experience and proven leadership ability.
4. A good knowledge of the Near East and North Africa regions.
5. Fluent in spoken and written English essential. Knowledge of Arabic and/or French very desirable.

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27 June 1984

The net asset value quotations shown below are supplied by the Funds listed with the exception of some funds whose quotes are based on last prices. The following symbols indicate currency of quotation: \$ = U.S. dollars; £ = British pounds; DM = Deutsche Marks; F = French francs; S = Swiss francs; Y = Japanese yen; AU = Australian dollars; NZ = New Zealand dollars; HK = Hong Kong dollars; M = Mexican pesos; P = Philippine pesos; R = Indian rupees; T = Thai baht; B = Brazilian cruzeiros; C = Canadian dollars; Fmk = Hungarian forint; L = Lithuanian litas; Lsk = Polish zloty; Rmk = Romanian lei; Sdr = Saudi riyal; Tsk = Georgian lari; U = Ukrainian hryvnia; V = Vietnamese dong; W = West German mark; Z = Zimbabwean dollar.

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Restaurant
Stocks Tasty

(Continued from Page 9)

wondered us was staying in cash and missing out on a sharp move upward.

He thinks that stocks could surge 100 points on the Dow average, quickly elevating it above 1,200.

"But that's our short-term view," he added. "Longer-term, substantial uncertainties remain, such as the budget deficit and the upward pattern of interest rates. We're hopeful but not yet convinced about the bull market's second leg."

The main reason for the firm's bullishness just ahead is simply that Wall Street has worked itself "cheap." Secondly, Mr. Skinner sees "no signs of inflation is pushing back up significantly."

"Then when sentiment turned universally gloomy last month, we read it as an opportune time to buy," he added. "The stock market was emphasizing the negatives and ignoring good news."

He thinks that an advance in the bond market will trigger the rally in stocks. "Institutional cash levels are high and there's a lot of money waiting to go into both."

That is why the firm's buying program has focused on blue-chip stocks with large market capitalizations.

Boeing, IBM, United Technologies and Panhandle Eastern have been bought as favorites to ride in the rally. The firm is also "carefully evaluating" such publishing stocks as Don & Bradstreet, Dow-Jones and Times-Mirror as short-term vehicles. As plays in a rally and for the longer term, Mr. Skinner mentioned E-Systems, Dayton-Hudson and "unduly savaged" Safeway Stores.

Other Funds

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Eurobond Market Is Still Weighing Tax Proposal's Effects

(Continued from Page 9)

Columna of Société Générale of Paris, notes that the Canadian dollar sector of the Eurobond market has operated despite the fact that there is no withholding tax on bond purchases in Canada.

He believes that the speed with which new issues can be executed in the Eurobond market will always appeal to U.S. borrowers and he argues that investors will not necessarily be attracted to New York because trading there is much more institutionalized, involving bigger block trading than traditionally occurs in the Eurobond market.

In addition, many experts note that there are other reasons than just the withholding tax that have kept foreign investors out of the New York market — identification.

Dear to the hearts of European investors, especially the Swiss whose portfolio-management services make them one of the biggest players in the Eurobond market, is the anonymity of bearer bonds.

If the tax-free payment of interest in the New York market is to be truly tax-free, there must be no way to identify the ultimate purchaser so that his home tax authority can discover his tax liability (if any).

For many Swiss bankers, the insistence on having bearer bonds transcends such mundane aspects as tax avoidance. Their visceral concern is security, refusing to ever forget that the U.S. government confiscated the assets of investors it could identify as German citizens after the U.S. entry into World War II.

Under the proposed new law, U.S. entities would be able to issue bearer bonds to non-U.S. investors. Still to be defined is the procedure for ascertaining that purchasers are not U.S. citizens. Under current

procedures for U.S. companies to sell nonregistered bonds, a 20 percent withholding tax is applied until proper certification is received.

Many European bankers fear that certification will be the opening wedge used by U.S. authorities for identification and, subsequently, reporting to foreign tax authorities purchases by their nationals of U.S. securities.

Beyond these questions, there are also fundamental differences in market practices that make it uncertain whether Wall Street's goal of a global dollar bond market operated out of New York will ever be achieved.

In New York, the big institutional purchasers of bonds set the terms and conditions, with the issuing house intermediaries making their money on volume sales with relatively low distribution costs. In the Eurobond market, the intermediaries set terms and conditions, taking a higher fee than investment banks on Wall Street charge.

For all of its recent increased institutional participation, the Eurobond market is much more of a retail market than the U.S. market and the cost of distributing paper, European bankers argue, is much higher.

A big question, therefore, is how the Wall Street investment banks intend to achieve the global sale of dollar bonds without the help of banks outside the United States.

Another big question is how these banks can be enticed to participate in such sales if commissions are maintained at the thin rates that the New York banks traditionally charge.

It is very possible that European banks would boycott such issues, sharply restricting marketability of such paper outside the United States.

A number of experts note that

the major tax-abiding European institutional investors have never been kept out of the U.S. bond market by the withholding tax and that others who liked the market but not the tax found ways around it (selling their holdings just before coupon payment dates and repurchasing just after, pocketing the accrued interest on which no tax was levied).

These experts argue that smaller investors would not be attracted to New York because the cosmetically higher yields offered there would be lost by the give-up in price to accommodate small-sized transactions.



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422-425ITC Warns on Trade Gap
Following Bell Breakup

(Continued from Page 9)

Japanese have made the biggest inroads in the U.S. market, particularly in terminal equipment, such as telephone instruments — especially cordless telephones — and certain switching equipment.

Imports from Japan of such equipment rose from \$129 million in 1979 to \$582 million last year, an average annual growth rate of 46 percent.

While Japan was the largest source of such imports, sales from Hong Kong, Taiwan and Korea grew at an even faster average annual rate.

The study predicted that the U.S. market for telecommunications equipment will increase by more than 8 percent a year through 1993 — from \$18.5 billion of sales in 1983 to \$41.3 billion in 1993, primarily as a result of continuing technological advances.

"Long product life cycles of the past are now, in many cases, being shortened all the way up to the point of obsolescence upon installation," the commission said. "Customer demands for expanded ser-

vices provided by the latest technology are expected to force more rapid replacement schedules for both private and public networks."

Noting past expansion, the study said that 350 companies are now providing telecommunications equipment to the U.S. market, up from 380 companies in 1978.

Exports of telecommunications equipment were predicted to rise to \$2.47 billion in 1993 from \$1.34 billion in 1983, but imports were expected to increase much more rapidly — to \$3.43 billion in 1993 from \$1.99 billion in 1983.

DAI-ICHI KANGYO BANK

DKB ECONOMIC REPORT

June 1984: Vol. 13, No. 6

Consumption remains bearish; business investment is picking up markedly in Japan

Unlike the U.S. economy which is facing price increases, the Japanese economy is free from worry about a rekindling of inflation. Price stability for the first three months of this year was demonstrated by a mere 0.4 per cent annual rise in wholesale prices over the preceding quarter, and a 1.6 per cent advance in consumer prices on the same basis.

The remarkably calm price trend reflects the effects of the crude oil price cut in March last year and slack supply-demand balance in the domestic economy.

Exports are maintaining high growth, far higher than that of imports. During the first three months of this year, exports in dollar value increased 4.6 per cent over the previous quarter after seasonal adjustment; imports rose only 0.3 per cent.

In the balance of payments, the seasonally adjusted trade surplus surpassed \$10 billion during the first three months of the year, and the current account surplus swelled to \$7.2 billion from the \$5 billion-\$6 billion range in the preceding three quarters. As a result, the current account surplus for fiscal 1983 reached a record \$34.3 billion. The long-term capital account, on the other hand, produced a record deficit of \$20.9 billion, far larger than the past peak of \$18.3 billion in fiscal 1978.

About two-thirds of the increase in exports (on a customs clearance basis) during fiscal 1983 was accounted for by those to the U.S. Of the increase in shipments to that country, moreover, one-third consisted of cars and videotape recorders, both of which have been continuing at a high level until now. The value of export letters of credit increased 3.2 per cent in April over the preceding month after seasonal adjustment, pointing to a continuously high level of exports in the few months ahead. Compared with the year-earlier level, the value for April was up more than 9 per cent.

By contrast, imports (on a customs clearance basis) appear to be losing the momentum they showed last autumn.

The seasonally adjusted volume of imports increased 1.2 per cent during the first three months of this year over the previous quarter and decreased 5.2 per cent in April from the preceding month. But the comparison of the first quarter performance with the year-earlier level was a gain of more than 10 per cent.

Production recovery dependent on foreign demand

Domestic production activities are generally recovering smoothly, if to a varying degree from industry to industry. A particularly firm trend is noted in export-oriented areas, such as electric appliances and machinery. Production of transportation machinery, which is particularly heavily dependent on exports, has been on the rise since last autumn after a long period of stagnation. Chemicals, steels and other basic materials are also moving upward. The operating rate index for the manufacturing industry reached a seasonally adjusted 101.5 in February (up 2.3 per cent over the previous month), recovering the 1980 level for the first time in three years. The production forecast index rose 0.3 per cent for April and 2.6 per cent for May.

Inventories increased 1.3 per cent during the first three months of this year over the preceding quarter, a reversal from a continuous decline throughout last year. The increase centers on capital goods and producer goods for mining and manufacturing against the background of booming exports and recovering corporate capital investment. While part of the inventory accumulation was attributable to such a negative factor as stoppage of shipments as in the case of construction materials due to heavy snow, it seems safe to say that inventories have turned to rise, considering the continuously flat product inventory ratio index and a sustained expansion of production.

Such a trend of production,

coupled with a resultant recovery of corporate earnings, is pushing up indicators related to capital investment. Machinery orders, for example, have been on a steady upturn since the second half of fiscal 1982. Another sign is increasing shipments of capital goods.

Recovery of production activities and corporate capital investment reflects the strong influence of an unabated export boom.

Weak recovery of personal consumption

As for personal consumption, household consumption ex-

the preceding two months. These rates of increase only showed the weakness of recovery of consumption. Growth of bank notes issued also points to slow consumption. Their outstanding balance (average) increased 7.3 per cent during the January-March period of last year over a year earlier, but the subsequent growth rate since then narrowed steadily, registering 3.4 per cent during the first three months of this year.

Recovery of consumption has been delayed because of slow growth of inflation-adjusted disposable income — 3 per cent in 1982 and 0.7 per cent in 1983. Nominal wages grew 5.2 per cent in March over a year earlier, the largest gain of all months in fiscal 1983 when the increases averaged 3.2 per cent. The strong advance in nominal wages in March was brought about by a continuous increase in overtime over the past year, which certainly is a positive influence on consumption.

However, wage settlements

Acceleration of money supply growth

In the domestic financial market, money supply growth (M₁+C_D), average outstanding balance, comparison with a year earlier) has been accelerating, after hitting a low of 7.1 per cent during the July-September period. The growth rate for the October-December period was 7.2 per cent, which sharpened to 7.9 per cent during the January-March period of this year. The acceleration presumably reflects:

(1) a faster increase in corporate deposit currency along with recovery of actual demand; (2) increasing lending by financial institutions in the midst of credit relaxation, which is being accumulated as quasi-corporate currency; (3) a resultant willingness on the part of financial institutions to issue CDs, in line with such a positive lending policy. Money supply growth is expected to continue to register more than 8 per cent during the April-June period against the background of a gradual acceleration of growth of deposit

TRENDS OF EXPORTS AND IMPORTS

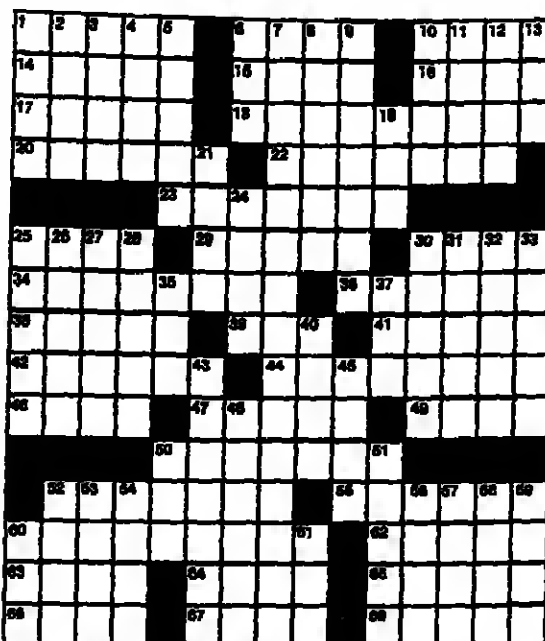
(Seasonally adjusted)

(In terms of volume, 1980 = 100)

Exports

Imports

J F M A M J J A S O N D J F M A M J J A S O N D J



ACROSS

1 Bridge honor cards
6 Early Irish alphabet
10 Nichols hero
14 180-mile French river
15 -ville
16 Shoot dice
17 Overindulge
18 Party conversation
20 Branch of grammar
22 Secures the aid of
23 Coarse cloth for bags
25 Dross
27 Lacking face value
30 Actor Kaplan
34 Captain Conan's ship
36 Comedienne from Lima, Ohio
38 Kind of dance
41 Mikado's court
42 Game of cards
44 Geological epoch
46 Moro chief
47 Cheerleader's repertory
49 Vane readings
50 Distributes the cards again
52 Foulard faster

DOWN

1 A carom in billiards
2 Culp-Cosby TV series
3 Sign on the ship
4 Stanzas
5 Psalm's word
6 Certain conjunctions
7 Best seller in 1964
8 Mode of astronomy
9 Game bird
10 Liberal
11 Gravy vessel
12 Misfortune
13 Mocklike deer
14 Author Yutang
15 Foreign
16 Comb, form
17 Put things in order
18 Spitzer's fur
19 About
20 Eastern Church Catholic
21 Large Comb form
22 Frozen dessert
23 Peregrine
24 He wrote 7
25 The "Long Tail"
26 Bone of dieters
27 Wedding words
28 Songstress Fitzgerald
29 Mascara recipient
30 Bit of land
31 Fit for consumption
32 New G.I.
33 Anthony on a
34 Become weary
35 "Old Cowhand"
36 Like a conger
37 Carnival fun
38 Scullion's Younger or Prose
39 Iodine source
40 Drinks that sound helpful
41 Wee one
42 Foursome in "A Midsummer Night's Dream"

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DENNIS THE MENACE



"THIS BEATS USING A SQUIRT GUN 'CAUSE YOU DON'T HAVE TO KEEP RELOADING."

JUMBLE

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

RECEL
WAMAC
RULTSY
WEFTES

Print answer here: _____

Yesterday's Jumble: FETCH HITCH CATTLE PARODY
Answer: What they called the team's psychiatrist—THE "HEAD" GOACH

WEATHER

EUROPE				ASIA			
Area	High	Low	Cloud	Area	High	Low	Cloud
Algeria	25	14	57	Bangkok	26	22	75
Amsterdam	18	14	57	Beijing	23	17	57
Antwerp	18	14	57	Bombay	29	25	75
Berlin	18	14	57	Buenos Aires	29	25	75
Bombay	29	25	75	Calcutta	29	25	75
Buenos Aires	29	25	75	Chongqing	29	25	75
Calcutta	29	25	75	Colombo	29	25	75
Chongqing	29	25	75	Dacca	29	25	75
Colombo	29	25	75	Dhaka	29	25	75
Dacca	29	25	75	Hankow	29	25	75
Dhaka	29	25	75	Hong Kong	29	25	75
Hankow	29	25	75	Kobe	29	25	75
Hong Kong	29	25	75	Manila	29	25	75
Kobe	29	25	75	Medan	29	25	75
Manila	29	25	75	Osaka	29	25	75
Medan	29	25	75	Shanghai	29	25	75
Osaka	29	25	75	Singapore	29	25	75
Shanghai	29	25	75	Taipei	29	25	75
Singapore	29	25	75	Tokyo	29	25	75
Taipei	29	25	75				
Tokyo	29	25	75				

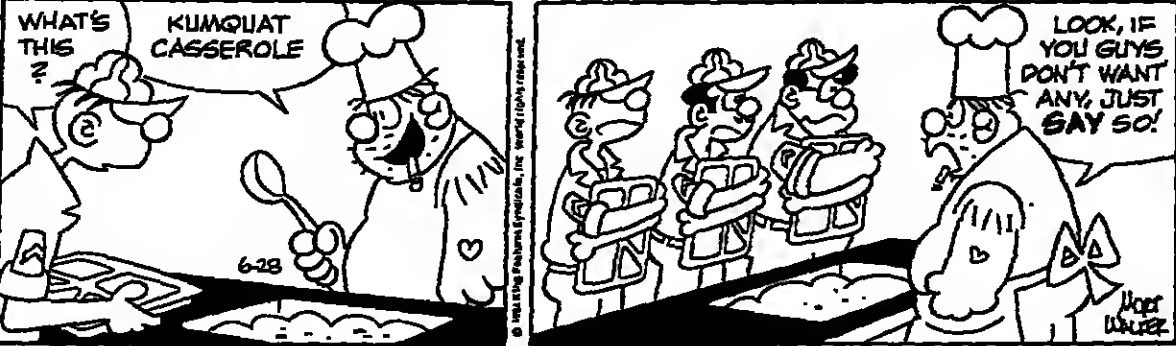
PEANUTS



BLONDIE



BEETLE BAILEY



ANDY CAPP



WIZARD of ID



REX MORGAN



GARFIELD



BOOKS

THE NIGHTMARE YEARS: 1930-40. Volume II of 20th Century Journey: A Memoir of a Life and the Times

By William L. Shirer. Illustrated. 654 pp. \$22.50.
Little, Brown, 34 Beacon St., Boston, Mass. 02106.

Reviewed by Herbert Mitgang

WILLIAM L. Shirer's life as a foreign correspondent coincided with one of the most challenging and productive periods in this century for American novelists and journalists—that twilight time between the world wars. It was a time of new stirrings and excesses in social behavior and of the rise of dictatorships in Spain, Italy and Germany.

In his 1941 "Berlin Diary: The Journal of a Foreign Correspondent, 1934-41," and in his postwar masterpiece, "The Rise and Fall of the Third Reich," published in 1960, Shirer proved that a pioneering reporter could combine eye-witness experience, research instincts and, not least, a sense of moral outrage to elevate himself to the position of contemporary historian. Inevitably, the author draws on material in those books for this second volume of his memoirs, "The Nightmare Years: 1930-40," which appears under the general rubric "20th Century Journey." His new memoir stands on its own as a highly readable book. A third volume, covering the postwar years, is planned.

This being autobiography rather than reportage, Shirer, who is now 80 years old, doesn't hold back his opinions—even criticizing himself. He writes about his early impressions of Hitlerism in 1933:

"My own naivete in regard to Hitler's designs, even after nine months in the Third Reich, was greater than I realized. This was recently brought back to me (45 years later) by the finding of a long entry I made in my diary in Berlin the evening after the Führer's peace speech. It shows I was terribly taken in, as much as The Times of London, for whose growing appeasement of the Nazi dictator I would feel a growing contempt over the ensuing years."

In light of the pullout by the Russians and their bloc from the 1984 Olympics, it is fascinating to read Shirer today on the 1936 Games in Germany. He was condemned by Dr. Joseph Goebbels's propaganda ministry for writing "All Jew baiting is officially off in Germany during the Olympics" because the Führer meant to turn the Games into "a huge propaganda triumph." Shirer was accused of being a "German hater," but he continued to fight Goebbels openly. He was threatened, but he was not expelled. "I had learned early that the best way to handle Germans when they attacked you was to counterattack immediately," Shirer writes.

He continued to be a thorn in the side of the Nazis during the Olympics. The star that summer was Jesse Owens, who won four gold medals for the United States. The black sprinter was a visible contradiction to the Nazi racial laws and theories of Aryan blood superiority. Shirer was only a few feet away in the press box and saw Hitler turn his back each time Owens won. He reports that Hitler said to an aide: "The Americans ought to be ashamed of themselves for letting their medals be won by Negroes."

Herbert Mitgang is on the staff of The New York Times.



William L. Shirer

grees. I myself would never shake hands with one of them."

Shirer says that many American visitors were fooled by the Nazis during the Games. The journalist himself gave a luncheon for a group of businessmen and invited a well-informed American commercial attaché, Douglas Miller, to enlighten them about the Nazi system. "But he got nowhere," Shirer recalls. "The genial tycoon told him what the situation in Nazi Germany was. They liked it, they said. The streets were clean and peaceful. Law and Order. No strikes, no trouble-making unions. No agitators."

Shirer, a man of strong opinions, is prone to draw analogies: "I was rather puzzled that our American businessmen and our rich tended to sympathize with Fascist countries. I wondered if it was because the right-wing dictatorships claimed to be anti-Communist."

The book—which includes some wonderful photographs—tells of the beginnings of international broadcasting, a subject previously covered by the former CBS correspondent Alexander Kendrick in "Prime Time," his fine biography of Edward R. Murrow. Shirer writes that in 1937, when he was working for International News Service, the Hearst agency, he was offered a newspaper job; instead, he joined Murrow at CBS and began a second career.

At first, William S. Paley, who owned the network, insisted that Murrow and Shirer merely arrange for the broadcasts and use newspaper correspondents to go on the air. Shirer says Paley contended that "for us to do the reporting ourselves would be to commit CBS editorially." Paley and the rest of the brass in New York simply would not listen to the pleas of Ed Murrow and me to broadcast the news ourselves. The idiocy of it staggered me. Eventually, the network succumbed and their broadcasts from London and the Continent made history.

Shirer stirs the ashes of memory in a personal way that results in both a strong view of world events and of the need for outspoken journalism. Had Shirer been merely a bland "objective" reporter without passion while covering Hitler's Third Reich, this book and his other histories could never have been written.

Herbert Mitgang is on the staff of The New York Times.

BRIDGE

By Alan Truscott

ON the disgraced bid, South eventually did six clubs, after his partner had shown a club fit and slam interest with a splinter jump to three spades.

East contributed a Lightner double to ask for a diamond lead, and West obliged. The ten was covered with the jack and queen. South ruffed and made the dramatic lead of the spade king. He wanted to prepare for spade ruffs, and it would have been an inconvenience if East had been able to attack hearts.

Another diamond was led

for another ruff, and South was able to take two spade ruffs and two more diamond ruffs. This established the last diamond in dummy, so he could avoid the heart finesse and make the slam.

The absence of a Blackwood bid by South strongly suggested that he held a void, probably in diamonds. That might have discouraged East from doubling, but his action did prevent West from making a losing heart lead. West might, however, have rejected his partner's lead request. If he had led a trump, a most unusual choice when facing a Lightner double, he would have beaten the slam.

In the replay, North-South reached five clubs.

WEST
♠ A 7 10
♥ Q 10 8 4
♦ A 9 8 5
♣ 6 7

EAST
♠ Q 8 7 5 3
♥ 7 6
♦ K 5
♣ K 10 7 2

Both sides were v.l.s. 34. The

Canadian Stock Markets June 26

Prices in Canadian cents unless marked \$

Toronto				High Low Close Chg			
400 Alcan	100	100	100	100	100	100	100
1000 Alcan	100	100	100	100	100	100	100
1000 Alcan	100	100	100	100	100	100	100
1000 Alcan	100	100	100	100	100	100	100
1000 Alcan	100	100	100	100	100	100	100
1000 Alcan	100	100	100	100	100	100	100
1000 Alcan	100	100	100	100	100	100	100
1000 Alcan	100	100	100	100	100	100	100
1000 Alcan	100	100	100	100	100	100	100
1000 Alcan	100	100	100	100	100	100	100

Amsterdam

Class Prev.				Class Prev.			
ABN	100	100	100	ABN	100	100	100
ABN	100	100	100	ABN	100	100	100
ABN	100	100	100	ABN	100	100	100
ABN	100	100	100	ABN	100	100	100
ABN	100	100	100	ABN	100	100	100
ABN	100	100	100	ABN	100	100	100
ABN	100	100	100	ABN	100	100	100
ABN	100	100	100	ABN	100	100	100
ABN	100	100	100	ABN	100	100	100

Other Markets June 27

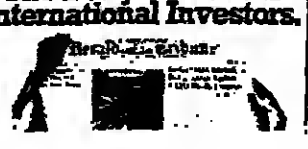
Closing Prices in local currencies

Johannesburg				London			
ABN	100	100	100	ABN	100	100	100
ABN	100	100	100	ABN	100	100	100
ABN	100	100	100	ABN	100	100	100
ABN	100	100	100	ABN	100	100	100
ABN	100	100	100	ABN	100	100	100
ABN	100	100	100	ABN	100	100	100
ABN	100	100	100	ABN	100	100	100
ABN	100	100	100	ABN	100	100	100
ABN	100	100	100	ABN	100	100	100

Tokyo

Class Prev.				Class Prev.			
ABN	100	100	100	ABN	100	100	100
ABN	100	100	100	ABN	100	100	100
ABN	100	100	100	ABN	100	100	100
ABN	100	100	100	ABN	100	100	100
ABN	100	100	100	ABN	100	100	100
ABN	100	100	100	ABN	100	100	100
ABN	100	100	100	ABN	100	100	100
ABN	100	100	100	ABN	100	100	100
ABN	100	100	100	ABN	100	100	100

The Daily Source for International Investors



Japanese Store Sales Fall

TOKYO — Japan's seasonally adjusted index of department store sales fell 2.7 percent to 114.7 in May from an upwards revised 117.9 in April, when it rose 2.8 percent from March, the Trade and Industry Ministry said Wednesday.

